AL-HIKMEH FOUNDATION

England & Wales · Charity number 1167756

Details

Other names	AL-HIKMEH
Status	Registered
Legal form	CIO
Registered	2016-06-21
Register	View on the Charity Commission register

Contact

Address	Office 5 Abji Bapashree House 211 Kingsbury Road London NW9 8AQ
Phone	02032395939
Email	info@alhikmeh.org.uk
Website	www.alhikmeh.org.uk

Activities

Objects: THE OBJECTS OF THE CIO ARE:3.1 THE PREVENTION OR RELIEF OF POVERTY AND FINANCIAL HARDSHIP IN IRAQ BY PROVIDING: GRANTS, ITEMS AND SERVICES TO ORPHANS AND OTHER INDIVIDUALS IN NEED AND/OR CHARITIES OR OTHER ORGANISATIONS WORKING TO PREVENT OR RELIEVE POVERTY AND FINANCIAL HARDSHIP.3.2 THE PREVENTION OR RELIEF OF SICKNESS AMONG ORPHANS AND OTHER INDIVIDUALS IN NEED IN IRAQ, BY PURCHASING MEDICAL EQUIPMENT AND/OR PROVIDING GRANTS TO ORGANISATIONS WORKING TO PREVENT OR RELIEVE SICKNESS.

Activities: Al-Hikmeh Foundation is a support organisation that awards grants to partner organisations that perform work in-line with its charitable objectives to further achieve outcomes that fulfil those objectives. The organisations work towards the relief and prevention of poverty and sickness amongst orphans, widows and other afflicted individuals in Iraq.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Iraq

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,609,541	£1,311,405	£565,123	0
2023-12-31	£3,667,918	£3,691,745	£266,987	0
2022-12-31	£3,434,732	£3,157,335	£290,814	1
2021-12-31	£4,106,985	£4,106,233	£13,417	1
2020-12-31	£1,996,859	£2,007,496	£12,665	0

Trustees

Name	Role	Appointed
Dr ZAID AHMED ALI THAMER	Chair	2016-06-21
BASHAR THAMER		2016-06-21
Husain Al-Khoee		2021-05-24
KARAR ELKORISHY		2016-06-21

Accounts

Company Registered Number: CE007585
Charity Registration Number: 1167756

AL-HIKMEH FOUNDATION

(A Charitable Incorporated Organisation)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

CONTENTS

AL-HIKMEH FOUNDATION

(A Charitable Incorporated Organisation)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees	Dr Z Thamer, Chair Dr B Thamer Mr K Elkorishy Mr H Al-Khoee
Charity registered number	1167756
Principal office	Al-Hikmeh Foundation Office 5 211 Kingsbury Road London NW9 8AQ
CIO number	CE007585
Honorary Executive Director	Mr M Marashi
Independent auditor	MHA Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Barclays Bank PLC 75 King Street Hammersmith London W6 9HY
Solicitors	Broadfields One Bartholomew Close London EC1A 7BL

The Trustees present their report and the financial statements of the Charity for the year ended 31 December 2024.

Structure, governance and management

Governing document

The governing document of Al-Hikmeh Foundation is its Charitable Incorporated Constitution, approved on 21st June 2016 which encompasses the charitable objectives that Al-Hikmeh Foundation's activities must be in line with. Furthermore, it establishes rules and procedures for the running of the Charity.

How the Charity is constituted

Al-Hikmeh Foundation is a charitable incorporated organisation (CIO), registered with the Charity Commission for England and Wales on 21 June 2016 with the registered Charity number 1167756.

Organisation Structure

- The Board of Trustees make strategic decisions about the Charity as well as governance decisions. They are responsible for managing the annual budget and plan for the Charity.

- The Honorary Executive Director, who is chosen by the Board of Trustees, is in charge of the everyday management of the Charity. This includes the supervision of operational activities and the management of activities undertaken in line of the Charity's objectives outlined in this document. The Honorary Executive Director reports back to the Board in the form of regular meetings assessing progress within the Charity.

Recruitment and appointment of Trustees

- Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees.

- In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Induction of Trustees

The Charity Trustees will make available to each new Charity Trustee, on or before his or her first appointment:
- A copy of the current version of the constitution.
- A copy of the CIO's latest Trustees' Annual Report and statement of accounts.
- A copy of the annual plan for the current year.
- The initial information provided to a new Trustee listed above delivers a necessary amount of understanding of the way the Charity is managed and help them to get involved with the processes of the Charity.

Trustees undergo on-going training through the means of workshops and events whenever necessary.

Objectives and activities

Purposes and Aims

Our objectives, as set out in the Charity's constitution, are as follows:

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

- The prevention or relief of sickness among orphans and other individuals in need in Iraq by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness.

Activities for achieving objectives

Our partner, Orphan Charity Foundation was chosen after research of potential partners in the region who had the reach and capability to carry out the foundation's objectives. We manage our relationship with our partner through ongoing reporting, site visits and executive communication with partner's management.

Through our fundraising efforts, the Charity is able to provide grant funding to our partner organisation to carry out charitable work towards the relief of poverty and sickness, which includes the following programmes:

- Education Programme: this programme focusses on the development of orphans and other children in need by supporting their schooling. Incentives are in place so that students excelling in studies are recognised and rewarded with gifts and awards. This programme empowers orphans by providing them with a broad skill set that they can use to help contribute to society and be self-sufficient in the future

- Entertainment Programme: includes regular fun activities for the children, such as trips to the theme park, swimming lessons, and sport activities etc.

- Salary Programme: provides monthly financial support to the guardian of orphans to provide them with essential financial support and relief

- Clothes Programme: distribution of essential clothing to orphans and other impoverished peoples throughout the year that is otherwise unaffordable for them

- Food Programme: nutritious and staple foods are distributed year-round in the form of food baskets to beneficiaries who otherwise would find it very difficult to purchase these foods

- Home Appliances Programme: the distribution of essential appliances to its beneficiaries such as washing machines, air conditioners, fridges, and hobs

- Home construction and renovation programme: provides a safe and stable home for orphans and their families as well as other individuals in need who do not have safe or adequate housing

- Healthcare Programme: providing essential healthcare and treatments to orphans and other vulnerable individuals at hospitals, clinics, and pharmacies. Beneficiaries are provided with a range of services ranging from essential lifesaving interventions to regular health check-ups, which they would otherwise be unable to access due to expensive private sector and inadequate public sector providers

- Other Programmes: Sometimes required programmes that meet the charity's objectives are implemented but fall outside of the eight programme definitions, and therefore they would be categorised separately and other times the funds are used out of urgency.

Grant Making Policy

Grant funding is the main activity carried out in achieving Al-Hikmeh Foundation's charitable aims and objectives. Funding is sent to its partner organisation whose aims are aligned with that of Al-Hikmeh Foundation's.

The Charity has adopted a grant making policy that guides the process of making grants to its partner.

- The aims of the partner organisation are assessed and approved by the Board of Trustees and a partnership is then established.

- A Partner organisation that receives funding from Al-Hikmeh Foundation is expected to produce reports accounting for where the funds have been spent and identifying how many beneficiaries the funds have reached.

- A Partner organisation receives regular visits by a representative from Al-Hikmeh Foundation to observe first hand the work being done. Visitations also provide assurance and transparency to donors that funds are utilised towards public benefit.

Contribution Made by Volunteers

The Honorary Executive Directors' involvement is performed on a voluntary basis and is not paid any amount of salary from the Charity. Furthermore, website maintenance, graphics and designs are done by volunteers who are not paid any amount of salary from the Charity. It is difficult to obtain a reliable figure for the amounts of donated services by volunteers.

Contribution Made by Staff

The Foundation did not have any full or part-time employees during 2024.

Fundraising

The Charity's fundraising is primarily from private donors. Donations from private donors are generally unsolicited and are received because they are interested in supporting the Charity's activities.

The Charity carries out all fundraising through its internal teams and does not employ external or commercial firms, either professional fundraisers or commercial participators. The Charity is not subject to any undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising in respect of its activities. No complaints have been received in respect of the Charity's fundraising activities during the financial year.

Public Benefit

The charitable objects and activities which Al-Hikmeh Foundation undertakes for the public benefit and achievement in delivering these are set out in the relevant sections in this Trustees' Report. The Board of Trustees of Al-Hikmeh Foundation ensure that the activities undertaken by Al-Hikmeh Foundation are relevant and beneficial to the needs of our beneficiaries in the following manner:

- Al-Hikmeh Foundation's work is focused on, (however not restricted to), a group who are seen as potentially the most influential on society. The orphans of today could be the next leaders in society and our support of our partner organisation is instrumental in facilitating their growth which will in turn benefit their society in its present and future forms.

- Basic necessities such as food, clothing, healthcare and shelter are provided through our partner organisation. This provides the minimum level of living that everyone should have a right to.

- The focus on education within Al-Hikmeh Foundation's work provides beneficiaries with the tools to make them self-sufficient, thus creating prosperity in society and removing dependency on others.

The Board of Trustees of this Charity declare and confirm that they have had regard to and have complied with the guidance issued by the Charity Commission on Public Benefit.

Achievements and Performance

Over the 2024 period, our charitable activities were implemented in 14 regions across Iraq by our partner, Orphan Charity Foundation, in the form of several programmes outlined in the 'activities for achieving objectives' heading. The breakdown of the spending for each programme this year was:

- Education Programme: USD55,699 allocated to this programme in 2024 which benefitted 710 orphans (2023: 1,505). The main age group of students supported ranged between 7-13 years old, with the majority of funding going towards scholarship sponsorship.

- Entertainment Programme: In 2024, USD3,512 was spent on the entertainment programme, covering the expenditure on 260 orphans (2023: 1,777 beneficiaries). Majority of trips consisted of fun and leisure activities as well as distributing gifts to orphans.

- Salary Programme: The largest programme continues to be the salary distribution, which allocated USD532,156 in 2024, covering the monthly financial support of 9,225 beneficiaries (2023: 28,082 beneficiaries).

- Clothes Programme: In 2024, the clothes programme was allocated USD108,691 to provide essential clothing to 3,989 beneficiaries (2023: 11,268 people). Beneficiaries age group ranged from 7-15 years, with 59% of recipients being females.

- Food Programme: The second largest programme by the partner in 2024 was the food distribution initiative where USD110,891 was spent to provide food baskets to 5,968 beneficiaries (2023: 14,367 people). The basket included meats, fruit, and flour and other food essentials.

- Home Appliances Programme: In 2024, USD138,142 was spent on home appliances to 1,233 beneficiaries (2023 3,195). Appliances included heaters, fridges, and fans.

- Home construction and renovation programme: USD4,207 was spent in 2024 towards the building and renovation of 4 homes (2022: 11 projects completed).

- Health Programme: In 2024, USD4,266 was spent on 88 beneficiaries towards essential medical expenses (2023: 284 beneficiaries). These expenses included purchasing of medication and medical devices as well as medical examinations and consultations.

Measuring Achievements

All activities carried out by Al-Hikmeh Foundation during this reporting period are subject to performance reviews which are received and reviewed by the Trustees. These include the reviews of our partner to determine the overall impact, achievements and performances of our activities in addition to site monitoring visits and sample inspection of project implementation and sample examination of financial records.

The impact Al-Hikmeh Foundation has had on the lives of those afflicted in Iraq has been incredibly positive with the number of families that have benefited from the various programmes funded by Al-Hikmeh Foundation. Beneficiaries have expressed their gratefulness to the Charity in turning around their lives from having no hope, to being provided a stepping stone to achieving more than they ever could have thought with their lives. Here are some case studies about the beneficiaries of the partner organisation

O.J., 10, struggled with a severe vision problem that made reading impossible. His parents could not afford treatment. When the partner organisation identified his case, they arranged for medical care and provided him with eyeglasses. Today, O.J. can see clearly, keep up with his classmates, and enjoy learning again.

M.A, a 10-year-old girl, lived with her grandmother and younger brother after losing her parents. To help her family survive, Mina spent her days selling small snacks on the roadside instead of going to school. She dreamed of learning, but her family's needs always came first.
One day, M.A. was identified by the partner organisation and began receiving monthly support. Now, M.A. no longer needs to work on the streets. She has enrolled in school, her brother can stay healthy and safe, and her grandmother no longer has to worry about choosing between food and education. With this support, M.A. and her family have hope for a brighter future.

F.S., a widowed mother of two, struggled not only with providing for her children but also with her own chronic illness. Her condition often left her unable to work, and the family survived on borrowed money and the kindness of neighbours. After being registered with the partner organisation, her children began receiving monthly assistance, and she was supported with access to medical treatment. With her health improving and her children's needs being met, F.S. is now able to focus on her recovery and the wellbeing of her family.

It is evident that because of the opportunities given to the orphans, they grow up having better health, education, and quality of life, and therefore are empowered to make a meaningful contribution to society and move towards independence. Across 2024, through AHF's grants totalling $1,636,200 (2023 - $4,558,750), we were able to reach around 25,013 people (2023 - 63,178 people) who benefitted through various programs that our partner runs.

Financial review

For the year ended 31 December 2024, the Foundation received an income £1,609,541 (2023 - £3,667,918). Expenditure totalled £1,311,405 (2023 - £3,691,745). Total unrestricted funds carried forward for the Foundation as of 31 December 2024 were £565,123 (2023 - £266,987).

Reserves Policy

Subsequent to consultation, the Board of Trustees concluded that it is to increase its policy on reserves to be between £500,000 and £600,000 should a reduction in income occur. The increase has been set to account for the need to support the partner organisation in case of any shortfall in funding that might impact the beneficiaries for a period of time. The Trustees consider that this amount of reserve is adequate funds to ensure governance and other operating costs are covered. Potential risks facing the Charity have been considered through the means of risk assessment in defining this policy. It is the Trustees' view that the level of reserves maintained by the Charity is deemed sufficient. At the year end the Charity held unrestricted fund of £565,123, of which free reserves were £565,123 after excluding the net book value of tangible fixed assets. This level was in line with Charity's policy.

Going Concern

The Board of Trustees have regarded the financial position of the Foundation to be healthy, sustainable and ready to move forward to the next financial year. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

As the charity agrees its commitment to the partner organisation on an annual basis, the charity does not have on-going commitments of any significance and hence is not reliant on future funding to sustain its going concern position.

Risk Management

An effective risk management is essential to ensure that the Trustees can take appropriate and timely action where risks are identified and are better placed to achieve the Charity's mission statement. The Charity manages the risks through a risk assessment which is regularly reviewed, updated and monitored. This proactive approach allows Trustees to take the necessary course of action once risks have been identified, either to:

- Minimise the impact of risk for example with contingency planning;
- Accept the risk;
- Transfer the risk (Insurance);
- Reduce the risk (if complete avoidance is impossible or disproportionately expensive in time or money); or
- Monitor the risk.

The Trustees should be clear about the risks in the context of Al-Hikmeh Foundation's charitable mission and in identifying risks, which may impede its ability to deliver its strategic objectives. This policy is, therefore, reviewed and aligned with any strategic plans for the Charity as developed over time to ensure that relevant risks are identified and dealt with accordingly.

Principal risks facing the Charity

The Board of Trustees, having discussed and analysed, have identified the following principal risks:

- Dependency on partner organisation
- Limited donor base
- High-risk operating area of partner organisation

These risks are constantly investigated, and suitable actions are carried out adhering to the policy outline above. The risks are regularly re-visited, monitored and updated as decided by the Board of Trustees.

Plans for the future

The Board of Trustees of Al-Hikmeh Foundation have agreed on a one-year plan of activities of the Charity which include:

- Continue to look at possible ways to diversify income streams, within the foundation's operational framework, to reduce the risk the Charity faces.
- Increasing awareness of charity through social media presence
- Exploring other areas of operation and potentially expanding to different regions

The Charity will continue to focus on how to improve to maximise the effects on the lives of the beneficiaries and society in general through its charitable objectives.

Policy for the remuneration of Key Management Personnel

The Charity considers the Key Management Personnel of the Charity to be the Trustees and the Honorary Executive Director.

- Al-Hikmeh Foundation Trustees are not paid in their capacity as a Trustee or any other roles within the Foundation.

- Provided that they meet the criteria of the Charity Commission guidance for 'Payments to Charity Trustees', they can be reimbursed if sought by Trustees for out of pocket expenses, in consideration of its reasonability. Similarly, they may also be paid for extra ordinary work for the Charity, if it is agreed upon by the Board of Trustees, and if there are no alternative staff members who can supply the work in question.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:

Z Thamer
……………………………

Dr Z Thamer
Chair
Date: 20 October 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:

...Z. Thamer...

Dr Z Thamer
Chair of Trustees
Date: 20 October 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION

Opinion

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

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2024 and of its incoming resources and application of resources 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the 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.

Matters on which we are required to report by exception

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

- the information given in the Trustees' 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Reviewing accounting estimates for bias;
- Reviewing the due diligence processes in place on major donors and enquiry of legal advisers for the confirmation of donations receive in the year;
- Performing audit work over the grant making and monitoring process;
- Reviewing minutes of meetings of those charged with governance;
- 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 audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

MHA

MHA
Statutory Auditor
London, United Kingdom

Date: 30 October 2025

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations	3	**1,609,541**	**1,609,541**	3,667,918
Total income		**1,609,541**	**1,609,541**	3,667,918
Expenditure on:				
Charitable activities	4	**1,311,405**	**1,311,405**	3,691,745
Total expenditure		**1,311,405**	**1,311,405**	3,691,745
Net movement in funds		**298,136**	**298,136**	(23,827)
Reconciliation of funds:				
Total funds brought forward		**266,987**	**266,987**	290,814
Net movement in funds		**298,136**	**298,136**	(23,827)
Total funds carried forward		**565,123**	**565,123**	266,987

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	8		**-**		-
			-		-
Current assets					
Debtors: Amounts falling due within one year	9	**300**		300	
Cash at bank and in hand	12	**579,283**		280,497	
		579,583		280,797	
Creditors: Amounts falling due within one year	10	**(14,460)**		(13,810)	
Net current assets			**565,123**		266,987
Total net assets			**565,123**		266,987
Charity funds					
Unrestricted funds			**565,123**		266,987
Total funds			**565,123**		266,987

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Z Thamer
....
Dr Z Thamer
Chair
Date: 20 October 2025

The notes on pages 17 to 26 form part of these financial statements.

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	11	**290,393**	(41,665)
Change in cash and cash equivalents in the year		**290,393**	**(41,665)**
Cash and cash equivalents at the beginning of the year		**280,497**	303,134
Change in cash and cash equivalents due to exchange rate movements		**8,393**	19,028
Cash and cash equivalents at the end of the year	12	**579,283**	280,497

The notes on pages 17 to 26 form part of these financial statements.

1. General information

The Charity is a Charitable Incorporated Organisation ("CIO"), registered in England and Wales, and a registered Charity (Charity Registered Number 1167756) in England and Wales.

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.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Al-Hikmeh Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and amounts are rounded to the nearest pound.

2.2 Going concern

There are no material uncertainties about the Charity's ability to continue. The Trustees have considered the level of funds held and the expected income and expenditure for at least 12 months from authorising the 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.

2.3 Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.4 Income

Donations are recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25% Straight line

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.10 Financial instruments

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 9. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 10. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which 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 costs 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.

2.12 Accounting estimates, estimation uncertainty and judgements

The Trustees consider there to be no key estimates or judgements applied in the production of these financial statements.

3. Income from donations

	Unrestricted funds 2024 £	**Total funds 2024 £**
Donations	1,609,541	**1,609,541**

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	3,667,918	3,667,918

4. Analysis of expenditure on charitable activities

	Grant funding of activities 2024 £	**Support costs 2024 £**	**Total funds 2024 £**
Relief of Poverty	1,298,809	12,596	**1,311,405**

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Relief of Poverty	3,691,678	67	3,691,745

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Depreciation	**-**	52
Bank charges	**994**	497
Insurance	**757**	846
Governance costs	**14,510**	13,860
Account/subscription fees	**467**	405
Telephone	**43**	46
Rent	**3,900**	3,300
Other office costs	**-**	17
Foreign exchange gain	**(8,393)**	(19,028)
Registration costs	**318**	72
Total 2024	**12,596**	67

5. Grants to institutions

	2024	2023
	£	£
Orphan Charity Foundation	**1,298,809**	3,691,678
	1,298,809	3,691,678

The Orphan Charity Foundation is registered in Iraq with General Secretariat to the Council of Ministers, NGO Directorate with registration number 1K73462 as a non-governmental organisation.

6. Governance costs

	2024	2023
	£	£
Auditor's remuneration - Other services	**3,180**	3,060
Auditor's remuneration - Audit of the financial statements	**11,280**	10,800
Auditor's remuneration - Under accrual of prior year fees	**50**	-
Total	**14,510**	13,860

7. Trustees' remuneration and expenses

During the year, no Trustees, who comprise all the Key Management Personnel of the Charity, received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, no Trustee expenses have been incurred (2023 - £NIL).

8. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2024	**819**
At 31 December 2024	**819**
Depreciation	
At 1 January 2024	**819**
At 31 December 2024	**819**
Net book value	
At 31 December 2024	**-**
At 31 December 2023	-

9. Debtors

	2024 £	2023 £
Due within one year		
Other debtors	**300**	300
	300	300

10. Creditors: Amounts falling due within one year

	2024 £	2023 £
Accruals	**14,460**	13,810

11. Reconciliation of net movement in funds to net cash flow from operating activities

		2024 £	2023 £
Net income for the year (as per Statement of Financial Activities)		**298,136**	(23,827)
Adjustments for:			
Depreciation charges	8	**-**	52
Increase in creditors	10	**650**	1,138
Foreign exchange rate gain	4	**(8,393)**	(19,028)
Net cash provided by/(used in) operating activities		**290,393**	(41,665)

12. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	**579,283**	280,497
Total cash and cash equivalents	**579,283**	280,497

13. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	**280,497**	**298,786**	**579,283**
	280,497	**298,786**	**579,283**

14. Related party transactions

During the year no unrestricted donations were made to the Charity by Trustees *(2023 - £4,045 from one Trustee).*

No donations were received from related parties of Trustees *(2023 - £6,580 from two related parties of one Trustee).*

Accounts

Company Registered Number: CE007585
Charity Registration Number: 1167756

AL-HIKMEH FOUNDATION

(A Charitable Incorporated Organisation)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	Dr Z Thamer, Chair Dr B Thamer Mr K Elkorishy Mr H Al-Khoee
Charity registered number	1167756
Principal office	Al-Hikmeh Foundation Office 5 211 Kingsbury Road London NW9 8AQ
CIO number	CE007585
Honorary Executive Director	Mr M Marashi
Independent auditor	MHA Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Barclays Bank PLC 75 King Street Hammersmith London W6 9HY
Solicitors	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and the financial statements of the Charity for the year ended 31 December 2023.

Structure, governance and management

Governing document

The governing document of Al-Hikmeh Foundation is its Charitable Incorporated Constitution, approved on 21st June 2016 which encompasses the charitable objectives that Al-Hikmeh Foundation's activities must be in line with. Furthermore, it establishes rules and procedures for the running of the Charity.

How the Charity is constituted

Al-Hikmeh Foundation is a charitable incorporated organisation (CIO), registered with the Charity Commission for England and Wales on 21 June 2016 with the registered Charity number 1167756.

Organisation Structure

- The Board of Trustees make strategic decisions about the Charity as well as governance decisions. They are responsible for managing the annual budget and plan for the Charity.

- The Honorary Executive Director, who is chosen by the Board of Trustees, is in charge of the everyday management of the Charity. This includes the supervision of operational activities and the management of activities undertaken in line of the Charity's objectives outlined in this document. The Honorary Executive Director reports back to the Board in the form of regular meetings assessing progress within the Charity.

Recruitment and appointment of Trustees

- Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees.

- In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Induction of Trustees

The Charity Trustees will make available to each new Charity Trustee, on or before his or her first appointment:
- A copy of the current version of the constitution.
- A copy of the CIO's latest Trustees' Annual Report and statement of accounts.
- A copy of the annual plan for the current year.
- The initial information provided to a new Trustee listed above delivers a necessary amount of understanding of the way the Charity is managed and help them to get involved with the processes of the Charity.

Trustees undergo on-going training through the means of workshops and events whenever necessary.

Objectives and activities

Purposes and Aims

Our objectives, as set out in the Charity's constitution, are as follows:

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

- The prevention or relief of sickness among orphans and other individuals in need in Iraq by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness.

Activities for achieving objectives

Our partner, Orphan Charity Foundation was chosen after research of potential partners in the region who had the reach and capability to carry out the foundation's objectives. We manage our relationship with our partner through ongoing reporting, site visits and executive communication with partner's management.

Through our fundraising efforts, the Charity is able to provide grant funding to our partner organisation to carry out charitable work towards the relief of poverty and sickness, which includes the following programmes:

- Education Programme: this programme focusses on the development of orphans and other children in need by supporting their schooling. Incentives are in place so that students excelling in studies are recognised and rewarded with gifts and awards. This programme empowers orphans by providing them with a broad skill set that they can use to help contribute to society and be self-sufficient in the future

- Entertainment Programme: includes regular fun activities for the children, such as trips to the theme park, swimming lessons, and sport activities etc.

- Salary Programme: provides monthly financial support to the guardian of orphans to provide them with essential financial support and relief

- Clothes Programme: distribution of essential clothing to orphans and other impoverished peoples throughout the year that is otherwise unaffordable for them

- Food Programme: nutritious and staple foods are distributed year-round in the form of food baskets to beneficiaries who otherwise would find it very difficult to purchase these foods

- Home Appliances Programme: the distribution of essential appliances to its beneficiaries such as washing machines, air conditioners, fridges, and hobs

- Home construction and renovation programme: provides a safe and stable home for orphans and their families as well as other individuals in need who do not have safe or adequate housing

- Healthcare Programme: providing essential healthcare and treatments to orphans and other vulnerable individuals at hospitals, clinics, and pharmacies. Beneficiaries are provided with a range of services ranging from essential lifesaving interventions to regular health check-ups, which they would otherwise be unable to access due to expensive private sector and inadequate public sector providers

- Other Programmes: Sometimes required programmes that meet the charity's objectives are implemented but fall outside of the eight programme definitions, and therefore they would be categorised separately and other times the funds are used out of urgency.

Grant Making Policy

Grant funding is the main activity carried out in achieving Al-Hikmeh Foundation's charitable aims and objectives. Funding is sent to its partner organisation whose aims are aligned with that of Al-Hikmeh Foundation's.

The Charity has adopted a grant making policy that guides the process of making grants to its partner.

- The aims of the partner organisation are assessed and approved by the Board of Trustees and a partnership is then established.

- A Partner organisation that receives funding from Al-Hikmeh Foundation is expected to produce reports accounting for where the funds have been spent and identifying how many beneficiaries the funds have reached.

- A Partner organisation receives regular visits by a representative from Al-Hikmeh Foundation to observe first hand the work being done. Visitations also provide assurance and transparency to donors that funds are utilised towards public benefit.

Contribution Made by Volunteers

The Honorary Executive Directors' involvement is performed on a voluntary basis and is not paid any amount of salary from the Charity. Furthermore, website maintenance, graphics and designs are done by volunteers who are not paid any amount of salary from the Charity. It is difficult to obtain a reliable figure for the amounts of donated services by volunteers.

Contribution Made by Staff

The Foundation did not have any full or part-time employees during 2023.

Fundraising

The Charity's fundraising is primarily from private donors. Donations from private donors are generally unsolicited and are received because the person is interested in supporting the Charity's activities. Some fundraising is also done through the platform of Amazon Smile through customers who support our Charity through their shopping – although Amazon has discontinued this initiative in February 2023. A small percentage of income has been recouped from Gift Aid.

The Charity carries out all fundraising through its internal teams and does not employ external or commercial firms, either professional fundraisers or commercial participators. The Charity is not subject to any undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising in respect of its activities. No complaints have been received in respect of the Charity's fundraising activities during the financial year.

Public Benefit

The charitable objects and activities which Al-Hikmeh Foundation undertakes for the public benefit and achievement in delivering these are set out in the relevant sections in this Trustees' Report. The Board of Trustees of Al-Hikmeh Foundation ensure that the activities undertaken by Al-Hikmeh Foundation are relevant and beneficial to the needs of our beneficiaries in the following manner:

- Al-Hikmeh Foundation's work is focused on, (however not restricted to), a group who are seen as potentially the most influential on society. The orphans of today could be the next leaders in society and our support of our partner organisation is instrumental in facilitating their growth which will in turn benefit their society in its present and future forms.

- Basic necessities such as food, clothing, healthcare and shelter are provided through our partner organisation. This provides the minimum level of living that everyone should have a right to.

- The focus on education within Al-Hikmeh Foundation's work provides beneficiaries with the tools to make them self-sufficient, thus creating prosperity in society and removing dependency on others.

The Board of Trustees of this Charity declare and confirm that they have had regard to and have complied with the guidance issued by the Charity Commission on Public Benefit.

Achievements and Performance

Over the 2023 period, our charitable activities were implemented in 14 regions across Iraq by our partner, Orphan Charity Foundation, in the form of several programmes outlined in the 'activities for achieving objectives' heading. The breakdown of the spending for each programme this year was:

- Education Programme: $140,849 allocated to this programme in 2023 which benefitted 1,505 orphans (2022: 1,120). The main age group of student supported ranged between 7-13 years old, with the majority of funding going towards scholarship sponsorship.

- Entertainment Programme: In 2023, $17,551 was spent on the entertainment programme, covering the expenditure on 1,177 orphans (2022: 1,773 beneficiaries). Majority of trips consisted of fun and leisure activities as well as distributing gifts to orphans.

- Salary Programme: The largest programme continues to be the salary distribution, which allocated $1,979,697 in 2023, covering the monthly financial support of 28,082 beneficiaries (2022: 27,872 beneficiaries), which accounted for 44% of all total beneficiaries our partner supported in 2023 (up by 10% year on year).

- Clothes Programme: In 2023, the clothes programme was allocated $367,091 to provide essential clothing to 11,268 beneficiaries (2022: 12,501 people). Beneficiaries age group ranged from 7-15 years, with 66% of recipients being females.

- Food Programme: The second largest programme by the partner (by number of beneficiaries) in 2023 was the food distribution initiative where $350,569 was spent to provide food baskets to 14,367 beneficiaries (2022: 26,072 people). The basket included meats, fruit, and flour.

- Home Appliances Programme: In 2022, $345,348 was spent on home appliances to 3,195 beneficiaries (2022: 5,738). Appliances included heaters, fridges, and fans.

- Home construction and renovation programme: $123,451 was spent in 2023 towards the building and renovation of 11 homes (2022: 7 projects competed).

- Health Programme: In 2023, $45,675 was spent on 284 beneficiaries towards essential medical expenses (2022: 491 beneficiaries). These expenses included purchasing of medication and medical devices as well as medical examinations and consultations.

- Other Programmes: During the year, the other programmes mainly consisted of an emergency fund for financial assistance to beneficiaries in need, specifically to pay bills and an economic empowerment project. $187,038 was spent as part of the cash assistance programme on 3,249 beneficiaries, with remainder of other funds spent on economic empowerment, totalling of $17,660 reaching 40 beneficiaries.

Measuring Achievements

All activities carried out by Al-Hikmeh Foundation during this reporting period are subject to performance reviews which are received and reviewed by the Trustees. These include the reviews of our partner to determine the overall impact, achievements and performances of our activities in addition to site monitoring visits and sample inspection of project implementation and sample examination of financial records.

The impact Al-Hikmeh Foundation has had on the lives of those afflicted in Iraq has been incredibly positive with the number of families that have benefited from the various programmes funded by Al-Hikmeh Foundation. Beneficiaries have expressed their gratefulness to the Charity in turning around their lives from having no hope, to being provided a stepping stone to achieving more than they ever could have thought with their lives. Here are some case studies about the beneficiaries of the partner organisation

An orphan boy A.G. Aged 11 was working on a farm to earn money to support his mother and two sisters. He worked long hours, day after day, to help with the income his mother was making from sewing for others. A.G. was identified by the partner organisation and started receiving monthly support. now he will not only not have to work but also he can go to school. His family would be taken care of, and he and his sisters can have a better future.

An orphaned girl Y.H. aged 9, who was registered and supported by the charity, was diagnosed with chronic debases that needed immediate treatment. The partner organisation investigated her case and made contact with the medical facilities to arrange her treatment. After receiving the treatment, she is able to get along with her daily life and focus on her education without the health challenges she was suffering from.

A widow Z.A. who has tragically lost her husband and therefore must take over his duties but it was very hard for her because she has 4 children and among them two are still infants. Providing food and basic necessities were hard for her. They were living in a small rented room within a house with multiple families. Even the room was not available for them on a long-term basis so she had to keep moving to other places from time to time which impacted the schooling of her two children who were at school age. She registered herself with the partner organisation and started receiving support for her orphaned children via different programmes. They have now been allocated with a stable accommodation and are receiving support towards the living cost of the children which in turn allows the mother to focus on looking after the family and raising the children to become self sufficient individuals in the future.

It is evident that because of the opportunities given to the orphans, they grow up having better health, education, and quality of life, and therefore are empowered to make a meaningful contribution to society and move towards independence. Across 2023, through AHF's grants totalling $4,558,750 (2022 - $3,890,900), we were able to reach around 63,178 people (2022 - 81,286 people) who benefitted through various programs that our partner runs.

Financial review

For the year ended 31 December 2023, the Foundation received an income £3,667,918 (2022 - £3,434,732). Expenditure totalled £3,691,745 (2022 - £3,157,335). Total unrestricted funds carried forward for the Foundation as 31 December 2023 were £266,987 (2022 - £290,814).

Reserves Policy

Subsequent to consultation, the Board of Trustees concluded that it is to preserve a policy on reserves of £12,000 should a reduction in income occur. The Trustees consider that this amount of reserve is adequate funds to ensure governance and other operating costs are covered. Potential risks facing the Charity have been considered through the means of risk assessment in defining this policy. It is the Trustees' view that the level of reserves maintained by the Charity is deemed sufficient. At the year end the Charity held unrestricted fund of £266,987, of which free reserves were £266,987 after excluding the net book value of tangible fixed assets. This level of free reserve is higher than the policy requirement and it can be used to help our partner adjust their financials should the Charity cease operation. This level was in line with Charity's policy.

Going Concern

The Board of Trustees have regarded the financial position of the Foundation to be healthy, sustainable and ready to move forward to the next financial year. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The charity does not have on-going commitments of any significance and hence is not reliant on future funding to sustain its going concern position.

Risk Management

An effective risk management is essential to ensure that the Trustees can take appropriate and timely action where risks are identified and are better placed to achieve the Charity's mission statement. The Charity manages the risks through a risk assessment which is regularly reviewed, updated and monitored. This proactive approach allows Trustees to take the necessary course of action once risks have been identified, either to:

- Minimise the impact of risk for example with contingency planning;
- Accept the risk;
- Transfer the risk (Insurance);
- Reduce the risk (if complete avoidance is impossible or disproportionately expensive in time or money); or
- Monitor the risk.

The Trustees should be clear about the risks in the context of Al-Hikmeh Foundation's charitable mission and in identifying risks, which may impede its ability to deliver its strategic objectives. This policy is, therefore, reviewed and aligned with any strategic plans for the Charity as developed over time to ensure that relevant risks are identified and dealt with accordingly.

Principal risks facing the Charity

The Board of Trustees, having discussed and analysed, have identified the following principal risks:

- Dependency on partner organisation
- Limited donor base
- High-risk operating area of partner organisation

These risks are constantly investigated, and suitable actions are carried out adhering to the policy outline above. The risks are regularly re-visited, monitored and updated as decided by the Board of Trustees.

Plans for the future

The Board of Trustees of Al-Hikmeh Foundation have agreed on a one-year plan of activities of the Charity which include:

- Continue to look at possible ways to diversify income streams, within the foundation's operational framework, to reduce the risk the Charity faces.
- Increasing awareness of charity through social media presence
- Explore the adoption of analytics to demonstrate use and reach of the Foundation's funds

The Charity will continue to focus on how to improve to maximise the effects on the lives of the beneficiaries and society in general through its charitable objectives.

Policy for the remuneration of Key Management Personnel

The Charity considers the Key Management Personnel of the Charity to be the Trustees.

- Al-Hikmeh Foundation Trustees are not paid in their capacity as a Trustee.

- Provided that they meet the criteria of the Charity Commission guidance for 'Payments to Charity Trustees', they can be reimbursed if sought by Trustees for out of pocket expenses, in consideration of its reasonability. Similarly, they may also be paid for extra ordinary work for the Charity, if it is agreed upon by the Board of Trustees, and if there are no alternative staff members who can supply the work in question.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:

Z Thamer
....
Dr Z Thamer
Chair

Date: 08 October 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:

....
Dr Z Thamer
Chair of Trustees
Date: 08 October 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION

Opinion

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2023 and of its incoming resources and application of resources 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the 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.

Matters on which we are required to report by exception

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

- the information given in the Trustees' 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Auditor's 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 entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- 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;
- Reviewing accounting estimates for bias;
- Reviewing the due diligence processes in place on major donors and enquiry of legal advisers for the confirmation of donations receive in the year;
- Performing audit work over the grant making and monitoring process;
- Reviewing minutes of meetings of those charged with governance;
- 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 occuring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the Charity'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 Charity's Trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA
Statutory Auditor
London, United Kingdom

Date: 30 October 2024

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations	3	**3,667,918**	**3,667,918**	3,434,732
Total income		**3,667,918**	**3,667,918**	3,434,732
Expenditure on:				
Charitable activities	4	**3,691,745**	**3,691,745**	3,157,335
Total expenditure		**3,691,745**	**3,691,745**	3,157,335
Net movement in funds		**(23,827)**	**(23,827)**	277,397
Reconciliation of funds:				
Total funds brought forward		**290,814**	**290,814**	13,417
Net movement in funds		**(23,827)**	**(23,827)**	277,397
Total funds carried forward		**266,987**	**266,987**	290,814

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		-		52
			-		52
Current assets					
Debtors: Amounts falling due within one year	10	**300**		300	
Cash at bank and in hand	13	**280,497**		303,134	
		280,797		303,434	
Creditors: Amounts falling due within one year	11	**(13,810)**		(12,672)	
Net current assets			**266,987**		290,762
Total net assets			**266,987**		290,814
Charity funds					
Unrestricted funds			**266,987**		290,814
Total funds			**266,987**		290,814

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

....
Dr Z Thamer
Chair
Date: 08 October 2024

The notes on pages 17 to 26 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	12	**(41,665)**	266,370
Change in cash and cash equivalents in the year		**(41,665)**	**266,370**
Cash and cash equivalents at the beginning of the year		**303,134**	24,534
Change in cash and cash equivalents due to exchange rate movements		**19,028**	12,230
Cash and cash equivalents at the end of the year	13	**280,497**	303,134

The notes on pages 17 to 26 form part of these financial statements.

1. General information

The Charity is a Charitable Incorporated Organisation ("CIO"), registered in England and Wales, and a registered Charity (Charity Registered Number 1167756) in England and Wales.

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.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Al-Hikmeh Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and amounts are rounded to the nearest pound.

2.2 Going concern

There are no material uncertainties about the Charity's ability to continue. The Trustees have considered the level of funds held and the expected income and expenditure for at least 12 months from authorising the 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.

2.3 Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.4 Income

Donations are recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25% Straight line

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.10 Financial instruments

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 10. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 11. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which 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 costs 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.

2.12 Accounting estimates, estimation uncertainty and judgements

The Trustees consider there to be no key estimates or judgements applied in the production of these financial statements.

3. Income from donations

	Unrestricted funds 2023 £	**Total funds 2023 £**
Donations	3,667,918	**3,667,918**

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	3,434,732	3,434,732

4. Analysis of expenditure on charitable activities

	Grant funding of activities 2023 £	**Support costs 2023 £**	**Total funds 2023 £**
Relief of Poverty	3,691,678	67	**3,691,745**

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Relief of Poverty	3,149,625	7,710	3,157,335

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	**-**	1,200
Depreciation	**52**	51
Bank charges	**497**	516
Travel costs	**-**	589
Insurance	**846**	834
Governance costs	**13,860**	12,672
Account/subscription fees	**405**	365
Telephone	**46**	41
Rent	**3,300**	3,600
Other office costs	**17**	-
Foreign exchange gain	**(19,028)**	(12,230)
Registration costs	**72**	72
Total 2023	**67**	7,710

5. Grants to institutions

	2023 £	2022 £
Orphan Charity Foundation	**3,691,678**	3,149,625
	3,691,678	3,149,625

The Orphan Charity Foundation is registered in Iraq with General Secretariat to the Council of Ministers, NGO Directorate with registration number 1K73462 as a non-governmental organisation.

6. Governance costs

	2023 £	2022 £
Auditor's remuneration - Other services	**3,060**	2,904
Auditor's remuneration - Audit of the financial statements	**10,800**	9,768
Total	**13,860**	12,672

7. Staff costs

	2023 £	2022 £
Wages and salaries	**-**	1,200
	-	1,200

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Staff	**-**	1

No employee received remuneration amounting to more than £60,000 in either year.

8. Trustees' remuneration and expenses

During the year, no Trustees, who comprise all the Key Management Personnel of the Charity, received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

9. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2023	**819**
At 31 December 2023	**819**
Depreciation	
At 1 January 2023	**767**
Charge for the year	**52**
At 31 December 2023	**819**
Net book value	
At 31 December 2023	**-**
At 31 December 2022	52

10. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	**300**	300
	300	300

11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals	**13,810**	12,672

12. Reconciliation of net movement in funds to net cash flow from operating activities

		2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)		**(23,827)**	277,397
Adjustments for:			
Depreciation charges	9	**52**	51
Increase in creditors	11	**1,138**	1,152
Foreign exchange rate gain	4	**(19,028)**	(12,230)
Net cash (used in)/provided by operating activities		**(41,665)**	266,370

13. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	**280,497**	303,134
Total cash and cash equivalents	**280,497**	303,134

14. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	**303,134**	**(22,637)**	**280,497**
	303,134	**(22,637)**	**280,497**

15. Related party transactions

During the year an unrestricted donation of £4,045 was made to the Charity by one Trustee *(2022 - £26,800 from one Trustee).*

Donations of £6,580 were also received from two related parties of one Trustee *(2022 - £24,025 from two related parties of one Trustee).*

Accounts

Company Registered Number: CE007585
Charity Registration Number: 1167756

AL-HIKMEH FOUNDATION

(A Charitable Incorporated Organisation)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

CONTENTS

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	Dr Z Thamer, Chair Dr B Thamer Mr K Elkorishy Mr H Al-Khoee
Charity registered number	1167756
Principal office	Al-Hikmeh Foundation Office 5 211 Kingsbury Road London NW9 8AQ
CIO number	CE007585
Honorary Executive Director	Mr M Marashi
Independent auditors	MHA Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Barclays Bank PLC 75 King Street Hammersmith London W6 9HY
Solicitors	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL

The Trustees present their report and the financial statements of the Charity for the year ended 31 December 2022.

Structure, governance and management

Governing document

The governing document of Al-Hikmeh Foundation is its Charitable Incorporated Constitution, approved on 21st June 2016 which encompasses the charitable objectives that Al-Hikmeh Foundation's activities must be in line with. Furthermore, it establishes rules and procedures for the running of the Charity.

How the Charity is constituted

Al-Hikmeh Foundation is a charitable incorporated organisation (CIO), registered with the Charity Commission for England and Wales on 21 June 2016 with the registered Charity number 1167756.

Organisation Structure

- The Board of Trustees make strategic decisions about the Charity as well as governance decisions. They are responsible for managing the annual budget and plan for the Charity.

- The Honorary Executive Director, who is chosen by the Board of Trustees, is in charge of the everyday management of the Charity. This includes the supervision of operational activities and the management of activities undertaken in line of the Charity's objectives outlined in this document. The Honorary Executive Director reports back to the Board in the form of regular meetings assessing progress within the Charity.

Recruitment and appointment of Trustees

- Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees.

- In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Induction of Trustees

The Charity Trustees will make available to each new Charity Trustee, on or before his or her first appointment:
- A copy of the current version of the constitution.
- A copy of the CIO's latest Trustees' Annual Report and statement of accounts.
- A copy of the annual plan for the current year.
- The initial information provided to a new Trustee listed above delivers a necessary amount of understanding of the way the Charity is managed and help them to get involved with the processes of the Charity.
- Trustees undergo on-going training through the means of workshops and events whenever necessary.

Objectives and activities

Purposes and Aims

Our objectives, as set out in the Charity's constitution and is as follows:

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

- The prevention or relief of sickness among orphans and other individuals in need in Iraq by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness.

Activities for achieving objectives

Our partner, Orphan Charity Foundation was chosen after research of potential partners in the region who had the reach and capability to carry out the foundation's objectives. We manage our relationship with our partner through ongoing reporting, site visits and executive communication with partner's management.

Through our fundraising efforts, the Charity is able to provide grant funding to our partner organisation to carry out charitable work towards the relief of poverty and sickness, which includes the following programmes:

- Education Programme: this programme focusses on the development of orphans and other children in need by supporting their schooling. Incentives are in place so that students excelling in studies are recognised and rewarded with gifts and awards. This programme empowers orphans by providing them with a broad skill set that they can use to help contribute to society and be self-sufficient in the future

- Entertainment Programme: includes regular fun activities for the children, such as trips to the theme park, swimming lessons, and sport activities etc.

- Salary Programme: provides monthly financial support to the guardian of orphans to provide them with essential financial support and relief

- Clothes Programme: distribution of essential clothing to orphans and other impoverished peoples throughout the year that is otherwise unaffordable for them

- Food Programme: nutritious and staple foods are distributed year-round in the form of food baskets to beneficiaries who otherwise would find it very difficult to purchase these foods

- Home Appliances Programme: the distribution of essential appliances to its beneficiaries such as washing machines, air conditioners, fridges, and hobs

- Home construction and renovation programme: provides a safe and stable home for orphans and their families as well as other individuals in need who do not have safe or adequate housing

- Healthcare Programme: providing essential healthcare and treatments to orphans and other vulnerable individuals at hospitals, clinics, and pharmacies. Beneficiaries are provided with a range of services ranging from essential lifesaving interventions to regular health check-ups, which they would otherwise be unable to access due to expensive private sector and inadequate public sector providers

- Other Programmes: Sometimes required programmes that meet the charity's objectives are implemented but fall outside of the eight programme definitions, and therefore they would be categorised separately and other times the funds are used out of urgency.

Grant Making Policy

Grant funding is the main activity carried out in achieving Al-Hikmeh Foundation's charitable aims and objectives. Funding is sent to its partner organisation whose aims are aligned with that of Al-Hikmeh Foundation's.

The Charity has adopted a grant making policy that guides the process of making grants to its partner.

- The aims of the partner organisation are assessed and approved by the Board of Trustees and a partnership is then established.

- A Partner organisation that receives funding from Al-Hikmeh Foundation is expected to produce reports accounting for where the funds have been spent and identifying how many beneficiaries the funds have reached.

- A Partner organisation receives regular visits by a representative from Al-Hikmeh Foundation to first hand observe the work being done. Visitations also provide assurance and transparency to donors that funds are utilised towards public benefit.

Contribution Made by Volunteers

The Honorary Executive Directors' involvement is performed on a voluntary basis and is not paid any amount of salary from the Charity. Furthermore, website maintenance, graphics and designs are done by volunteers who are not paid any amount of salary from the Charity. It is difficult to obtain a reliable figure for the amounts of donated services by volunteers.

Contribution Made by Staff

The Foundation benefitted from a part-time employee who would carry out essential tasks such as admin, bookkeeping, and data analysis. As of the April 2022, the employee was no longer employed by the foundation and continued in a voluntary capacity.

Fundraising

The Charity's fundraising is primarily from private donors. Donations from private donors are generally unsolicited and are received because the person is interested in supporting the Charity's activities. Some fundraising is also done through the platform of Amazon Smile through customers who support our Charity through their shopping. A small percentage of income has been recouped from Gift Aid.

The Charity carries out all fundraising through its internal teams and does not employ external or commercial firms, either professional fundraisers or commercial participators. The Charity is not subject to any undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising in respect of its activities. No complaints have been received in respect of the Charity's fundraising activities during the financial year.

Public Benefit

The charitable objects and activities which Al-Hikmeh Foundation undertakes for the public benefit and achievement in delivering these are set out in the relevant sections in this Trustees' Report. The Board of Trustees of Al-Hikmeh Foundation ensure that the activities undertaken by Al-Hikmeh Foundation are relevant and beneficial to the needs of our beneficiaries in the following manner:

- Al-Hikmeh Foundation's work is focused on, (however not restricted to), a group who are seen as potentially the most influential on society. The orphans of today could be the next leaders in society and our support of our partner organisation is instrumental in facilitating their growth which will in turn benefit their society in its present and future forms.

- Basic necessities such as food, clothing, healthcare and shelter are provided through our partner organisation. This provides the minimum level of living that everyone should have a right to.

- The focus on education within Al-Hikmeh Foundation's work provides beneficiaries with the tools to make them self-sufficient, thus creating prosperity in society and removing dependency on others.

The Board of Trustees of this Charity declare and confirm that they have had regard to and have complied with the guidance issued by the Charity Commission on Public Benefit.

Achievements and Performance

Over the 2022 period, our charitable activities were implemented in 14 regions across Iraq in the form of several programmes which were outlined in the 'activities for achieving objectives' heading. The breakdown of the spending for each programme this year was:

- Education Programme: $42,815 allocated to this programme in 2022 which benefitted 1,120 orphans (2021: 193). The main age group of student supported ranged between 7-13 years old, with the majority of funding going towards scholarship sponsorship.

- Entertainment Programme: In 2022, $72,045 was spent on the entertainment programme, covering the expenditure on 1,773 orphans (2021: 549 beneficiaries). Majority of trips consisted of fun and leisure activities and a smaller proportion were religious and educational trips.

- Salary Programme: The largest programme continues to be the salary distribution, which allocated $1,843,741 in 2022, covering the monthly financial support of 27,872 beneficiaries (2021: 28,325 beneficiaries), which accounted for 34% of all total beneficiaries our partner supported in 2022.

- Clothes Programme: In 2022, the clothes programme was allocated $315,105 to provide essential clothing to 12,501 beneficiaries (2021: 17,717 people). Beneficiaries age group ranged from 7-15 years, with 66% of recipients being females.

- Food Programme: The second largest programme by the partner in 2022 was the food distribution initiative where $526,328 was spent to provide food baskets to 26,072 beneficiaries (2021: 26,969 people). The basket included meats, fruit and vegetables, rice, and flour.

- Home Appliances Programme: In 2022, $286,970 was spent on home appliances to 5,738 beneficiaries (2021: 3,638). Appliances included heaters, fridges, and fans.

- Home construction and renovation programme: $127,033 was spent in 2022 towards the building and renovation of 7 homes (2021: 14 projects competed).

- Health Programme: In 2022, $36,710 was spent on 491 beneficiaries towards essential medical expenses (2021: 1,991 beneficiaries). These expenses included surgical operations, purchasing of medication and medical devices as well as medical examinations and consultations.

- Other Programmes: During the year, the other programmes mainly consisted of an emergency fund for financial assistance to beneficiaries in need. $284,260 was spent as part of a miscellaneous programme on 5,185 beneficiaries, with remainder of other funds spent on programmes consisting of $27,521, reaching 527 beneficiaries (2021: 6,300).

Measuring Achievements

All activities carried out by Al-Hikmeh foundation during this reporting period are subject to performance reviews which are received and reviewed by the Trustees. These include the reviews of our partner to determine the overall impact, achievements and performances of our activities in addition to site monitoring visits and sample inspection of project implementation and sample examination of financial records.

The impact Al-Hikmeh Foundation has had on the lives of those afflicted in Iraq has been incredibly positive with the number of families that have benefited from the various programmes funded by Al-Hikmeh Foundation. Beneficiaries have expressed their gratefulness to the Charity in turning around their lives from having no hope, to being provided a steppingstone to achieving more than they ever could have thought with their lives.

It is evident that because of the opportunities given to the orphans, they grow up having better health, education, and quality of life, and therefore are empowered to make a meaningful contribution to society and move towards independence. Across 2022, through AHF's grants totalling $3,890,900 (2021 - $5,623,000), we were able to reach around 81,286 people (2021 - 85,696 people) who benefitted through various programs that our partner runs.

Financial review

For the year ended 31 December 2022, the Foundation received an income £3,434,732 (2021 - £4,106,985). Expenditure totalled £3,157,335 (2021 - £4,106,233). Total unrestricted funds carried forward for the Foundation as 31 December 2022 were £290,814 (2021 - £13,417).

Reserves Policy

Subsequent to consultation, the Board of Trustees concluded that it is to preserve a policy on reserves of £12,000 should a reduction in income occur. The Trustees consider that this amount of reserve is adequate funds to ensure governance and other operating costs are covered. Potential risks facing the Charity have been considered through the means of risk assessment in defining this policy. It is the Trustees' view that the level of reserves maintained by the Charity is deemed sufficient. At the year end the Charity held unrestricted fund of £290,814, of which free reserves were £290,762 after excluding the net book value of tangible fixed assets. This level was in line with Charity's policy.

Going Concern

The Board of Trustees have regarded the financial position of the Foundation to be healthy, sustainable and ready to move forward to the next financial year. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The charity does not have on-going commitments of any significance and hence is not reliant on future funding to sustain its going concern position.

Risk Management

An effective risk management is essential to ensure that the Trustees can take appropriate and timely action where risks are identified and are better placed to achieve the Charity's mission statement. The Charity manages the risks through a risk assessment which is regularly reviewed, updated and monitored. This proactive approach allows Trustees to take the necessary course of action once risks have been identified, either to:

- Minimise the impact of risk for example with contingency planning;
- Accept the risk;
- Transfer the risk (Insurance);
- Reduce the risk (if complete avoidance is impossible or disproportionately expensive in time or money); or
- Monitor the risk.

The Trustees should be clear about the risks in the context of Al-Hikmeh Foundation's charitable mission and in identifying risks, which may impede its ability to deliver its strategic objectives. This policy is, therefore, reviewed and aligned with any strategic plans for the Charity as developed over time to ensure that relevant risks are identified and dealt with accordingly.

Principal risks facing the Charity

The Board of Trustees, having discussed and analysed, have identified the following principal risks:

- Dependency on partner organisation
- Limited donor base
- High-risk operating area of partner organisation
- The long-term impact of the COVID-19 pandemic

These risks are constantly investigated, and suitable actions are carried out adhering to the policy outline above. The risks are regularly re-visited, monitored and updated as decided by the Board of Trustees.

Plans for the future

The Board of Trustees of Al-Hikmeh Foundation have agreed on a one-year plan of activities of the Charity which include:

- Continue to look at possible ways to diversify income streams, within the foundation's operational framework, to reduce the risk the Charity faces.
- Continue to monitor the long-term impact of COVID-19 pandemic and ensure review of the mitigation that is in place to safeguard operations.
- Increasing awareness of charity through social media presence

The Charity will continue to focus on how to improve to maximise the effects on the lives of the beneficiaries and society in general through its charitable objectives.

Policy for the remuneration of Key Management Personnel

The Charity considers the Key Management Personnel of the Charity to be the Trustees.

- Al-Hikmeh Foundation Trustees are not paid in their capacity as a Trustee.

- Provided that they meet the criteria of the Charity Commission guidance for 'Payments to Charity Trustees', they can be reimbursed if sought by Trustees for out of pocket expenses, in consideration of its reasonability. Similarly, they may also be paid for extra ordinary work for the Charity, if it is agreed upon by the Board of Trustees, and if there are no alternative staff members who can supply the work in question.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved and authorised for issue by the Trustees on 23 October 2023 and signed on its behalf by:

Z Thamer
……………………………
Dr Z Thamer
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:

Z Thamer
....
Dr Z Thamer
Chair of Trustees
Date: 23 October 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION

Opinion

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022 and of its incoming resources and application of resources 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Matters on which we are required to report by exception

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

- the information given in the Trustees' 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- 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;
- Reviewing accounting estimates for bias;
- Reviewing the due diligence processes in place on major donors and enquiry of legal advisers for the confirmation of donations receive in the year;
- Performing audit work over the grant making and monitoring process;
- Reviewing minutes of meetings of those charged with governance;
- 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 occuring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the Charity'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 Charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA
Statutory Auditor
London, United Kingdom

Date: 30 October 2023

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations	3	**3,434,732**	**3,434,732**	4,106,985
Total income		**3,434,732**	**3,434,732**	4,106,985
Expenditure on:				
Charitable activities	4	**3,157,335**	**3,157,335**	4,106,233
Total expenditure		**3,157,335**	**3,157,335**	4,106,233
Net movement in funds		**277,397**	**277,397**	752
Reconciliation of funds:				
Total funds brought forward		**13,417**	**13,417**	12,665
Net movement in funds		**277,397**	**277,397**	752
Total funds carried forward		**290,814**	**290,814**	13,417

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		**52**		103
			52		103
Current assets					
Debtors: Amounts falling due within one year	10	**300**		300	
Cash at bank and in hand	13	**303,134**		24,534	
		303,434		24,834	
Creditors: Amounts falling due within one year	11	**(12,672)**		(11,520)	
Net current assets			**290,762**		13,314
Total net assets			**290,814**		13,417
Charity funds					
Unrestricted funds			**290,814**		13,417
Total funds			**290,814**		13,417

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

....

Dr Z Thamer
Chair
Date: 23 October 2023

The notes on pages 17 to 26 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	12	**266,370**	(2,165)
Change in cash and cash equivalents in the year		**266,370**	**(2,165)**
Cash and cash equivalents at the beginning of the year		**24,534**	20,037
Change in cash and cash equivalents due to exchange rate movements		**12,230**	6,662
Cash and cash equivalents at the end of the year	13	**303,134**	24,534

The notes on pages 17 to 26 form part of these financial statements.

1. General information

The Charity is a Charitable Incorporated Organisation ("CIO"), registered in England and Wales, and a registered Charity (Charity Registered Number 1167756) in England and Wales.

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.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Al-Hikmeh Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevent accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and amounts are rounded to the nearest pound.

2.2 Going concern

There are no material uncertainties about the Charity's ability to continue. The Trustees have considered the level of funds held and the expected income and expenditure for at least 12 months from authorising the 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.

2.3 Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.4 Income

Donations are recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25% Straight line

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.10 Financial instruments

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 10. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 11. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which 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 costs 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.

2.12 Accounting estimates, estimation uncertainty and judgements

The Trustees consider there to be no key estimates or judgements applied in the production of these financial statements.

3. Income from donations

	Unrestricted funds 2022 £	**Total funds 2022 £**
Donations	3,434,732	**3,434,732**

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	4,106,985	4,106,985

4. Analysis of expenditure on charitable activities

	Grant funding of activities 2022 £	**Support costs 2022 £**	**Total funds 2022 £**
Relief of Poverty	3,149,625	7,710	**3,157,335**

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Relief of Poverty	4,089,725	16,508	4,106,233

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	**1,200**	4,700
Depreciation	**51**	205
Bank charges	**516**	432
Travel costs	**589**	-
Insurance	**834**	774
Governance costs	**12,672**	13,020
Account/subscription fees	**365**	332
Telephone	**41**	41
Rent	**3,600**	3,600
Foreign exchange gain	**(12,230)**	(6,662)
Registration costs	**72**	66
Total 2022	**7,710**	16,508

5. Grants to institutions

	2022 £	2021 £
Orphan Charity Foundation	**3,149,625**	4,089,725
	3,149,625	4,089,725

The Orphan Charity Foundation is registered in Iraq with General Secretariat to the Council of Ministers, NGO Directorate with registration number 1K73462 as a non-governmental organisation.

6. Governance costs

	2022 £	2021 £
Auditor's remuneration - Other services	**2,904**	2,640
Auditor's remuneration - Audit of the financial statements	**9,768**	8,880
Under accrual of prior year audit fees	**-**	1,500
Total	**12,672**	13,020

7. Staff costs

	2022 £	2021 £
Wages and salaries	**1,200**	4,700
	1,200	4,700

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	2021 No.
Staff	**1**	1

No employee received remuneration amounting to more than £60,000 in either year.

8. Trustees' remuneration and expenses

During the year, no Trustees, who comprise all the Key Management Personnel of the Charity, received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

9. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2022	**819**
At 31 December 2022	**819**
Depreciation	
At 1 January 2022	**716**
Charge for the year	**51**
At 31 December 2022	**767**
Net book value	
At 31 December 2022	**52**
At 31 December 2021	103

10. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	**300**	300
	300	300

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Accruals	**12,672**	11,520

12. Reconciliation of net movement in funds to net cash flow from operating activities

		2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)		**277,397**	752
Adjustments for:			
Depreciation charges	9	**51**	205
Increase in creditors	11	**1,152**	3,540
Foreign exchange rate gain	4	**(12,230)**	(6,662)
Net cash provided by/(used in) operating activities		**266,370**	(2,165)

13. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	**303,134**	24,534
Total cash and cash equivalents	**303,134**	24,534

14. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Exchange rate movements £	At 31 December 2022 £
Cash at bank and in hand	24,534	266,370	12,230	303,134
	24,534	266,370	12,230	303,134

15. Related party transactions

During the year an unrestricted donation of £26,800 was made to the Charity by one Trustee *(2021 - £2,000 from one Trustee).*

Donations of £24,025 were also received from two related parties of one Trustee *(2021 - £NIL).*

Accounts

Company Registered Number: CE007585
Charity Registration Number: 1167756

AL-HIKMEH FOUNDATION

(A Charitable Incorporated Organisation)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Dr Z Thamer, Chair Dr B Thamer Mr K Elkorishy Mr H Al-Khoee (appointed 24 May 2021)
Charity registered number	1167756
Principal office	Al-Hikmeh Foundation Office 5 211 Kingsbury Road London NW9 8AQ
CIO number	CE007585
Honorary Executive Director	Mr M Marashi
Independent auditors	MHA MacIntyre Hudson Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Barclays Bank PLC 75 King Street Hammersmith London W6 9HY
Solicitors	BDB Pitmans LLP 50 Broadway Westminster London SW1H 0BL

The Trustees present their report and the financial statements of the Charity for the year ended 31 December 2021.

Structure, governance and management

Governing document

The governing document of Al-Hikmeh Foundation is its Charitable Incorporated Constitution, approved on 21st June 2016 which encompasses the charitable objectives that Al-Hikmeh Foundation's activities must be in line with. Furthermore, it establishes rules and procedures for the running of the Charity.

How the Charity is constituted

Al-Hikmeh Foundation is a charitable incorporated organisation (CIO), registered with the Charity Commission for England and Wales on 21 June 2016 with the registered Charity number 1167756.

Organisation Structure

- The Board of Trustees make strategic decisions about the Charity as well as governance decisions. They are responsible for managing the annual budget and plan for the Charity.

- The Honorary Executive Director, who is chosen by the Board of Trustees, is in charge of the everyday management of the Charity. This includes the supervision of operational activities and the management of activities undertaken in line of the Charity's objectives outlined in this document. The Honorary Executive Director reports back to the Board in the form of regular meetings assessing progress within the Charity.

Recruitment and appointment of Trustees

- Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees.

- In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Induction of Trustees

The Charity Trustees will make available to each new Charity Trustee, on or before his or her first appointment:
- A copy of the current version of the constitution.
- A copy of the CIO's latest Trustees' Annual Report and statement of accounts.
- A copy of the annual plan for the current year.
- The initial information provided to a new Trustee listed above delivers a necessary amount of understanding of the way the Charity is managed and help them to get involved with the processes of the Charity.
- Trustees undergo on-going training through the means of workshops and events whenever necessary.

Objectives and activities

Purposes and Aims

Our objectives, as set out in the Charity's constitution and is as follows:

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

- The prevention or relief of sickness among orphans and other individuals in need in Iraq by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness.

Activities for achieving objectives

Our partner was chosen after research of potential partners in the region who had the reach and capability to carry out the foundation's objectives. We manage our relationship with our partner through ongoing reporting, site visits and executive communication with partner's management.

Through our fundraising efforts, the Charity is able to provide grant funding to our partner organisation to carry out charitable work towards the relief of poverty and sickness, which includes the following programmes:

- Education Programme: this programme focusses on the development of orphans and other children in need by supporting their schooling. Incentives are in place so that students excelling in studies are recognised and rewarded with gifts and awards. This programme empowers orphans by providing them with a broad skill set that they can use to help contribute to society and be self-sufficient in the future

- Entertainment Programme: includes regular fun activities for the children, such as trips to the theme park, swimming lessons, and sport activities etc.

- Salary Programme: provides monthly financial support to the guardian of orphans to provide them with essential financial support and relief

- Clothes Programme: distribution of essential clothing to orphans and other impoverished peoples throughout the year that is otherwise unaffordable for them

- Food Programme: nutritious and staple foods are distributed year-round in the form of food baskets to beneficiaries who otherwise would find it very difficult to purchase these foods

- Home Appliances Programme: the distribution of essential appliances to its beneficiaries such as washing machines, air conditioners, fridges, and hobs

- Home construction and renovation programme: provides a safe and stable home for orphans and their families as well as other individuals in need who do not have safe or adequate housing

- Healthcare Programme: providing essential healthcare and treatments to orphans and other vulnerable individuals at hospitals, clinics, and pharmacies. Beneficiaries are provided with a range of services ranging from essential lifesaving interventions to regular health check-ups, which they would otherwise be unable to access due to expensive private sector and inadequate public sector providers

- Other Programmes: Sometimes required programmes that meet the Charity's objectives are implemented but fall outside of the eight programme definitions, and therefore they would be categorised separately and other times the funds are used out of urgency, e.g. covid related support

Grant Making Policy

Grant funding is the main activity carried out in achieving Al-Hikmeh Foundation's charitable aims and objectives. Funding is sent to its partner organisation whose aims are aligned with that of Al-Hikmeh Foundation's.

The Charity has adopted a grant making policy that guides the process of making grants to its partner.

- The aims of the partner organisation are assessed and approved by the Board of Trustees and a partnership is then established.

- A Partner organisation that receives funding from Al-Hikmeh Foundation is expected to produce reports accounting for where the funds have been spent and identifying how many beneficiaries the funds have reached.

- A Partner organisation receives regular visits by a representative from Al-Hikmeh Foundation to first hand observe the work being done. Visitations also provide assurance and transparency to donors that funds are utilised towards public benefit.

Contribution Made by Volunteers

The Honorary Executive Directors' involvement is performed on a voluntary basis and is not paid any amount of salary from the Charity. Furthermore, website maintenance, graphics and designs are done by volunteers who are not paid any amount of salary from the Charity. It is difficult to obtain a reliable figure for the amounts of donated services by volunteers, accordingly these are not valued for the purposes of the accounts, however this is an important contribution to the Charity's activities.

Contribution Made by Staff

The Foundation benefits from a part-time employee who undertakes essential tasks such as admin, bookkeeping, and data analysis. The employee usually works one day a week, but this is subject to the demands of the work.

Fundraising

The Charity's fundraising is primarily from private donors. Donations from private donors are generally unsolicited and are received because the person is interested in supporting the Charity's activities. Some fundraising is also done through the platform of Amazon Smile through customers who support our Charity through their shopping. A small percentage of income has been recouped from Gift Aid.

The Charity carries out all fundraising through its internal teams and does not employ external or commercial firms, either professional fundraisers or commercial participators. The Charity is not subject to any undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising in respect of its activities. No complaints have been received in respect of the Charity's fundraising activities during the financial year. The Charity does not undertake public fundraising activities.

Public Benefit

The charitable objects and activities which Al-Hikmeh Foundation undertakes for the public benefit and achievement in delivering these are set out in the relevant sections in this Trustees' Report. The Board of Trustees of Al-Hikmeh Foundation ensure that the activities undertaken by Al-Hikmeh Foundation are relevant and beneficial to the needs of our beneficiaries in the following manner:

- Al-Hikmeh Foundation's work is focused on, (however not restricted to), a group who are seen as potentially the most influential on society. The orphans of today could be the next leaders in society and our support of our partner organisation is instrumental in facilitating their growth which will in turn benefit their society in its present and future forms.

- Basic necessities such as food, clothing, healthcare and shelter are provided through our partner organisation. This provides the minimum level of living that everyone should have a right to.

- The focus on education within Al-Hikmeh Foundation's work provides beneficiaries with the tools to make them self-sufficient, thus creating prosperity in society and removing dependency on others.

The Board of Trustees of this Charity declare and confirm that they have had regard to and have complied with the guidance issued by the Charity Commission on Public Benefit.

Achievements and Performance

Over the 2021 period, our charitable activities were implemented in 14 regions across Iraq in the form of several programmes which were outlined in the 'activities for achieving objectives' heading. The breakdown of the spending for each programme this year was:

- Education Programme: $121,989 allocated to this programme in 2021 which benefitted 193 orphans (2020: 0 due to COVID-19). The main age group of student supported ranged between 7-13 years old, with the majority of funding going towards scholarship sponsorship.

- Entertainment Programme: In 2021, $11,330 was spent on the entertainment programme, covering the expenditure on 549 orphans (2020: 640 beneficiaries). Majority of trips consisted of fun and leisure activities and a smaller proportion were religious and educational trips.

- Salary Programme: The largest programme continues to be the salary distribution, which allocated $2,973,846 in 2021, covering the monthly financial support of 28,325 beneficiaries (2020: 8,424 beneficiaries), which accounted for 33% of all total beneficiaries our partner supported in 2021.

- Clothes Programme: In 2021, the clothes programme was allocated $266,671 to provide essential clothing to 17,717 beneficiaries (2020: 10,141 people). Beneficiaries age group ranged from 7-15 years, with 66% of recipients being females.

- Food Programme: The second largest programme by the partner in 2021 was the food distribution initiative where $564,563 was spent to provide food baskets to 26,969 beneficiaries (2020: 52,184 people). The basket included meats, fruit and vegetables, rice, and flour.

- Home Appliances Programme: In 2021, $217,473 was spent on home appliances to 3,638 beneficiaries (2020: 4,711). Appliances included heaters, fridges, and fans.

- Home construction and renovation programme: $222,318 was spent in 2021 towards the building and renovation of 14 homes (2020: 32 projects competed). 5 new homes were built and 9 were renovated.

- Health Programme: In 2021, $143,810 was spent on 1,991 beneficiaries towards essential medical expenses (2020: 2,466 beneficiaries). These expenses included surgical operations, purchasing of medication and medical devices as well as medical examinations and consultations.

- Other Programmes: During the year, the other programmes consisted of an emergency fund for financial assistance to beneficiaries in need, where $755,569 was spent on 6,300 beneficiaries (2020: N/A).

Measuring Achievements

All activities carried out by Al-Hikmeh foundation during this reporting period are subject to performance reviews which are received and reviewed by the Trustees. These include the reviews of our partner to determine the overall impact, achievements and performances of our activities in addition to site monitoring visits and sample inspection of project implementation and sample examination of financial records.

The impact Al-Hikmeh Foundation has had on the lives of those afflicted in Iraq has been incredibly positive with the number of families that have benefited from the various programmes funded by Al-Hikmeh Foundation. Beneficiaries have expressed their gratefulness to the Charity in turning around their lives from having no hope, to being provided a steppingstone to achieving more than they ever could have thought with their lives.

It is evident that because of the opportunities given to the orphans, they grow up having better health, education, and quality of life, and therefore are empowered to make a meaningful contribution to society and move towards independence. Across 2021, through AHF's grants totalling £4,089,725 (2020 - £1,897,043), we were able to reach around 85,696 people (2020 - 96,253 people) who benefitted through various programs that our partner runs.

Financial review

For the year ended 31 December 2021, the Foundation received an income £4,106,985 (2020 - £1,996,859). Expenditure totalled £4,106,233 (2020 - £2,007,496). Total unrestricted funds carried forward for the Foundation as 31 December 2021 were £13,417 (2020 - £12,665).

Reserves Policy

Subsequent to consultation, the Board of Trustees concluded that it is to preserve a policy on reserves of £12,000 should a reduction in income occur. The Trustees consider that this amount of reserve is adequate funds to ensure governance and other operating costs are covered. Potential risks facing the Charity have been considered through the means of risk assessment in defining this policy. It is the Trustees' view that the level of reserves maintained by the Charity is deemed sufficient. At the year end the Charity held unrestricted funds of £13,417, of which free reserves were £13,314 after excluding the net book value of tangible fixed assets. This level was in line with the Charity's policy.

Going Concern

The Board of Trustees have regarded the financial position of the Foundation to be healthy, sustainable and ready to move forward to the next financial year. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies. Although the COVID-19 pandemic disturbed and continues to disturb the distribution of aid to some level, our partners managed to overcome and adapt to this new reality and as a result, our work has not been impacted significantly.

The Charity does not have on-going commitments of any significance and hence is not reliant on future funding to sustain its going concern position. Accordingly it is able to maintain a low level of free reserves.

Risk Management

An effective risk management is essential to ensure that the Trustees can take appropriate and timely action where risks are identified and are better placed to achieve the Charity's mission statement. The Charity manages the risks through a risk assessment which is regularly reviewed, updated and monitored. This proactive approach allows Trustees to take the necessary course of action once risks have been identified, either to:

- Minimise the impact of risk for example with contingency planning;
- Accept the risk;
- Transfer the risk (Insurance);
- Reduce the risk (if complete avoidance is impossible or disproportionately expensive in time or money); or
- Monitor the risk.

The Trustees should be clear about the risks in the context of Al-Hikmeh Foundation's charitable mission and in identifying risks, which may impede its ability to deliver its strategic objectives. This policy is, therefore, reviewed and aligned with any strategic plans for the Charity as developed over time to ensure that relevant risks are identified and dealt with accordingly.

Principal risks facing the Charity

The Board of Trustees, having discussed and analysed, have identified the following principal risks:

- Dependency on partner organisation
- Limited donor base
- High-risk operating area of partner organisation
- The long-term impact of the COVID-19 pandemic

These risks are constantly investigated, and suitable actions are carried out adhering to the policy outline above. The risks are regularly re-visited, monitored and updated as decided by the Board of Trustees.

Plans for the future

The Board of Trustees of Al-Hikmeh Foundation have agreed on a one-year plan of activities of the Charity will include:

- Continue to look at possible ways to diversify income streams, within the Foundation’s operational framework, to reduce the risk the Charity faces.
- Continue to monitor the impact of COVID-19 pandemic on Partner’s operational territories and ensure review of the mitigation that is in place to safeguard operations.
- Increasing awareness of Charity through social media presence

The Charity will continue to focus on how to improve to maximise the effects on the lives of the beneficiaries and society in general through its charitable objectives.

Policy for the remuneration of Key Management Personnel

The Charity considers the Key Management Personnel of the Charity to be the Trustees.

- Al-Hikmeh Foundation Trustees are not paid in their capacity as a Trustee.

- Provided that they meet the criteria of the Charity Commission guidance for ‘Payments to Charity Trustees’, they can be reimbursed if sought by Trustees for out of pocket expenses, in consideration of its reasonability. Similarly, they may also be paid under the terms of the Charity’s constitution for the provision of services to the Charity, if it is agreed upon by the Board of Trustees, and if there are no alternative staff members who can supply the work in question.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

This report was approved and authorised for issue by the Trustees on 27 October 2022 and signed on its behalf by:

Dr Z Thamer
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:

Z Thamer
....
Dr Z Thamer
Chair of Trustees
Date: 27 October 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION

Opinion

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2021 and of its incoming resources and application of resources 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Matters on which we are required to report by exception

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

- the information given in the Trustees' 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Auditors' 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 Auditors' 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 entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- 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;
- Reviewing accounting estimates for bias;
- Reviewing the due diligence processes in place on major donors and enquiry of legal advisers for the confirmation of donations receive in the year;
- Performing audit work over the grant making and monitoring process;
- Reviewing minutes of meetings of those charged with governance;
- 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 occuring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the charity'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 charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Sudhir Singh

MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 31 October 2022

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	**Unrestricted funds 2021 £**	**Total funds 2021 £**	Total funds 2020 £
Income from:				
Donations	3	**4,106,985**	**4,106,985**	1,996,859
Total income		**4,106,985**	**4,106,985**	1,996,859
Expenditure on:				
Charitable activities	4	**4,106,233**	**4,106,233**	2,007,496
Total expenditure		**4,106,233**	**4,106,233**	2,007,496
Net movement in funds		**752**	**752**	(10,637)
Reconciliation of funds:				
Total funds brought forward		**12,665**	**12,665**	23,302
Net movement in funds		**752**	**752**	(10,637)
Total funds carried forward		**13,417**	**13,417**	12,665

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		**103**		308
			103		308
Current assets					
Debtors	10	**300**		300	
Cash at bank and in hand	13	**24,534**		20,037	
		24,834		20,337	
Creditors: amounts falling due within one year	11	**(11,520)**		(7,980)	
Net current assets			**13,314**		12,357
Total net assets			**13,417**		12,665
Charity funds					
Restricted funds			**-**		-
Unrestricted funds			**13,417**		12,665
Total funds			**13,417**		12,665

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Z Thamer
....
Dr Z Thamer
Chair
Date: 27 October 2022

The notes on pages 17 to 26 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	12	**4,497**	(9,952)
Change in cash and cash equivalents in the year		**4,497**	**(9,952)**
Cash and cash equivalents at the beginning of the year		**20,037**	29,989
Cash and cash equivalents at the end of the year	13	**24,534**	20,037

The notes on pages 17 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Charity is a Charitable Incorporated Organisation ("CIO"), registered in England and Wales, and a registered Charity (Charity Registered Number 1167756) in England and Wales.

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.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Al-Hikmeh Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevent accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and amounts are rounded to the nearest pound.

2.2 Going concern

There are no material uncertainties about the Charity's ability to continue. The Trustees have considered the level of funds held and the expected income and expenditure for at least 12 months from authorising the 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. Although the COVID-19 pandemic disturbed the distribution of aid to some level, our partners managed to overcome this and as a result, our work has not been impacted significantly.

2.3 Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.4 Income

Donations are recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25% Straight line

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.10 Financial instruments

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 10. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 11. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which 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 costs 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.

2.12 Accounting estimates, estimation uncertainty and judgements

The Trustees consider there to be no key estimates or judgements applied in the production of these financial statements.

3. Income from donations

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	4,106,985	**4,106,985**
Grants	-	**-**
	4,106,985	**4,106,985**

Income from grants relates to the £NIL received from Brent Council under the Small Business Grant Fund (SBGF) *(2020 - £10,000).* There are no unfulfilled conditions or other contingencies attaching to grants recognised as income in either year.

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	1,986,859	1,986,859
Grants	10,000	10,000
	1,996,859	1,996,859

4. Analysis of expenditure on charitable activities

	Grant funding of activities 2021 £	**Support costs 2021 £**	**Total funds 2021 £**
Relief of Poverty	4,089,725	16,508	**4,106,233**

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Relief of Poverty	1,897,043	110,453	2,007,496

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	**4,700**	-
Depreciation	**205**	205
Bank charges	**432**	320
Insurance	**774**	774
Governance costs	**13,020**	9,480
Account/subscription fees	**332**	324
Telephone	**41**	42
Rent	**3,600**	2,475
Foreign exchange (gain)/loss	**(6,662)**	96,798
Registration costs	**66**	35
Total 2021	**16,508**	110,453

5. Grants to institutions

	2021 £	2020 £
Orphan Charity Foundation	**4,089,725**	1,897,043
	4,089,725	1,897,043

The Orphan Charity Foundation is registered in Iraq with General Secretariat to the Council of Ministers, NGO Directorate with registration number 1K73462 as a non-governmental organisation.

6. Governance costs

	2021 £	2020 £
Auditor's remuneration - Other services	**2,640**	1,800
Auditor's remuneration - Audit of the financial statements	**8,880**	7,680
Under accrual of prior year audit fees	**1,500**	-
Total	**13,020**	9,480

7. Staff costs

	2021 £	2020 £
Wages and salaries	**4,700**	-
	4,700	-

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Staff	**1**	-

No employee received remuneration amounting to more than £60,000 in either year.

8. Trustees' remuneration and expenses

During the year, no Trustees, who comprise all the Key Management Personnel of the Charity, received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

9. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2021	**819**
At 31 December 2021	**819**
Depreciation	
At 1 January 2021	**511**
Charge for the year	**205**
At 31 December 2021	**716**
Net book value	
At 31 December 2021	**103**
At 31 December 2020	308

10. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	**300**	300
	300	300

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Accruals	**11,520**	7,980

12. Reconciliation of net movement in funds to net cash flow from operating activities

	Note	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)		**752**	(10,637)
Adjustments for:			
Depreciation charges	9	**205**	205
Increase in creditors	11	**3,540**	480
Net cash provided by/(used in) operating activities		**4,497**	(9,952)

13. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	**24,534**	20,037
Total cash and cash equivalents	**24,534**	20,037

14. Analysis of changes in net debt

	At 1 January 2019 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	20,037	4,497	24,534
	20,037	4,497	24,534

15. Related party transactions

During the year an unrestricted donation of £2,000 was made to the Charity by one Trustee *(2020 - £3,000 from one Trustee).*

Accounts

Company Registered Number: CE007585
Charity Registration Number: 1167756

AL-HIKMEH FOUNDATION

(A Charitable Incorporated Organisation)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

CONTENTS

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Dr Z Thamer, Chair Dr B Thamer Mr K Elkorishy Husain Al-Khoee, appointed on 24/05/2021
Charity registered number	1167756
Principal office	Al-Hikmeh Foundation Office 5 211 Kingsbury Road London NW9 8AQ
CIO number	CE007585
Honorary Executive Director	Mr M Marashi
Independent auditors	MHA MacIntyre Hudson Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Barclays Bank PLC 75 King Street Hammersmith London W6 9HY
Solicitors	BDB Pitmans LLP 50 Broadway Westminster London SW1H 0BL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the financial statements of the Charity for the year ended 31 December 2020.

Structure, governance and management

Governing document

The governing document of Al-Hikmeh Foundation is its Charitable Incorporated Constitution, approved on 21st June 2016 which encompasses the charitable objectives that Al-Hikmeh Foundation's activities must be in line with. Furthermore, it establishes rules and procedures for the running of the Charity.

How the Charity is constituted

Al-Hikmeh Foundation is a charitable incorporated organisation (CIO), registered with the Charity Commission for England and Wales on 21 June 2016 with the registered Charity number 1167756.

Organisation Structure

- The Board of Trustees make strategic decisions about the Charity as well as governance decisions. They are responsible for managing the annual budget and plan for the Charity.

- The Honorary Executive Director, who is chosen by the Board of Trustees, is in charge of the everyday management of the Charity. This includes the supervision of operational activities and the management of activities undertaken in line of the Charity's objectives outlined in this document. The Honorary Executive Director reports back to the Board in the form of regular meetings assessing progress within the Charity.

Recruitment and appointment of Trustees

- Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees.

- In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Induction of Trustees

The Charity Trustees will make available to each new Charity Trustee, on or before his or her first appointment:
- A copy of the current version of the constitution.
- A copy of the CIO's latest Trustees' Annual Report and statement of accounts.
- A copy of the annual plan for the current year.
- The initial information provided to a new Trustee listed above delivers a necessary amount of understanding of the way the Charity is managed and help them to get involved with the processes of the Charity.
- Trustees undergo on-going training through the means of workshops and events whenever necessary.

Objectives and activities

Purposes and Aims

Our objectives, as set out in the Charity's constitution and is as follows:

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

- The prevention or relief of sickness among orphans and other individuals in need in Iraq by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness.

Activities for achieving objectives

Our partner was chosen after research of potential partners in the region who had the reach and capability to carry out the foundation's objectives. Relationship managed through ongoing reporting, site visits and executive communication with partner's management.

- Through our fundraising efforts, the Charity is able to provide grant funding to our partner organisation to carry out charitable work towards the relief of poverty, which includes the following programmes:

    - Education Programme: our partner organisation ensures the development of as many orphans and other children in need as they can by supporting their schooling. Incentives are in place so that students excelling in studies are rewarded with gifts and awards.

    - Entertainment Programme: our partner provides much needed regular fun activities for the children, such as trips to the theme park, swimming lessons, sport activities, cinema trips etc. Although due to the Covid-19 pandemic, this has been limited in the year.

    - Salary Programme: our partner organisation provides monthly wages to the guardian of orphans who are suffering from impoverishment to provide for them with essential financial support and relief.

    - Clothes Programme: our partner organisation distributes clothing to orphans and other impoverished peoples throughout the year to promote wellbeing in the form of essential clothing that is otherwise unaffordable for them.

    - Food Programme: nutritious and staple foods are distributed year-round in the form of food baskets to beneficiaries who otherwise would find it very difficult to purchase these foods. This was even more significant this year due to the COVID-19 pandemic affecting the livelihood of the beneficiaries.

    - Home Appliances Programme: A house requires appliances to keep it homely and functioning and unfortunately many impoverished peoples cannot afford basic appliances. To overcome this, our partner organisation distributes various appliances to its beneficiaries.

    - Home construction and renovation programme: many of our beneficiaries do not have safe or adequate housing, therefore our partner organisation implements housing and renovation projects to provide a safe and stable environment for orphans and their families and other individuals to grow up in.

    - Healthcare Programme: as one of our primary charitable objectives, healthcare programmes are dedicated to providing healthcare for orphans and other individuals in need.

Grant Making Policy

Grant funding is the main activity carried out in achieving Al-Hikmeh Foundation's charitable aims and objectives. Funding is sent to its partner organisation who's aims are aligned with that of Al-Hikmeh Foundation's.

The Charity has adopted a grant making policy that guides the process of making grants to its partner.

- The aims of the partner organisation are assessed and approved by the Board of Trustees and a partnership is then established.

- A Partner organisation that receives funding from Al-Hikmeh Foundation is expected to produce reports accounting for where the funds have been spent and identifying how many beneficiaries the funds have reached.

- A Partner organisation receives regular visits by a representative from Al-Hikmeh Foundation to first hand observe the work being done. Visitations also provide assurance and transparency to donors that funds are utilised towards public benefit.

Contribution Made by Volunteers

The Honorary Executive Directors' involvement is performed on a voluntary basis and is not paid any amount of salary from the Charity. Furthermore, bookkeeping as well as graphics and designs are done by volunteers who are not paid any amount of salary from the Charity. We are unable to obtain a reliable figure for the amounts of donated services by volunteers.

Fundraising

The Charity's fundraising is primarily from private donors. Donations from private donors are generally unsolicited and are received because the person is interested in supporting the Charity's activities. Some fundraising is also done through the platform of Amazon Smile through customers who support our Charity through their shopping. A small percentage of income has been recouped from Gift Aid.

The Charity carries out all fundraising through its internal teams and does not employ external or commercial firms, either professional fundraisers or commercial participators. The Charity is not subject to any undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising in respect of its activities. No complaints have been received in respect of the Charity's fundraising activities during the financial year.

Public Benefit

The charitable objects and activities which Al-Hikmeh Foundation undertakes for the public benefit and achievement in delivering these are set out in the relevant sections in this Trustees' Report. The Board of Trustees of Al-Hikmeh Foundation ensure that the activities undertaken by Al-Hikmeh Foundation are relevant and beneficial to the needs of our beneficiaries in the following manner:

- Al-Hikmeh Foundation's work is focused on, (however not restricted to), a group who are seen as potentially the most influential on society. The orphans of today could be the next leaders in society and our support of our partner organisation is instrumental in facilitating their growth which will in turn benefit their society in its present and future forms.

- Basic necessities such as food, clothing, healthcare and shelter are provided through our partner organisation. This provides the minimum level of living that everyone should have a right to.

- The focus on education within Al-Hikmeh Foundation's work provides beneficiaries with the tools to make them self-sufficient, thus creating prosperity in society and removing dependency on others.

The Board of Trustees of this Charity declare and confirm that they have had regard to and have complied with the guidance issued by the Charity Commission on Public Benefit.

Achievements and Performance

The Charity provided grants to their partner organisation that have managed to register and provide aid for tens of thousands of families, orphans and widows. Through this Al-Hikmeh Foundation has helped its beneficiaries take a step forward towards rebuilding their lives following the tragedies in Iraq. Many orphans, widows and internally displaced people (IDPs) have been given basic necessities such as food, water, shelter and further to that, they have been provided with healthcare and education.

Charitable activities were implemented across 14 regions across Iraq in the form of several programmes benefiting the Iraqi society and working towards the primary objectives of the foundation, which are the relief of poverty and sickness. These programmes are:

- Education Programme: The education programme which Al-Hikmeh supports is a key part of the objective to support orphans. This is primarily in the form of partners ensuring the orphans are enrolled and given a decent level of education. This development is unlikely to be received without the grants that Al-Hikmeh gives and will contribute towards empowering orphans with a sufficiently broad skill set that they can use to help contribute to society and be self-sufficient. The program also includes incentive mechanisms such as high achievers being rewarded with gifts and awards. In 2020, the COVID-19 pandemic meant that this program was put on hold.

- Entertainment Programme: Al-Hikmeh prides itself on its work to support orphans' social and mental wellbeing. This is catered for by providing them with opportunities and entertainment so that they can equally have fun, make friends, and enjoy themselves like any other child should. The entertainment programme involves taking the orphans on trips and engaging on sporting activities. In 2020, the grant funding towards the entertainment program benefitted a total of 640 beneficiaries.

- Salary Programme: Another avenue which Al-Hikmeh uses to help alleviate poverty and hardship from the orphans and poor of Iraq is to support the salary programme which provides a basic monthly salary to orphans and the needy to help them cope with the basic costs of living for them and their families. In 2020, AHF's grant funding used for the salary programme reached 8,424 beneficiaries.

- Clothes Programme: Another effort of poverty relief that the foundation supports is the distribution of clothes to orphans and the needy. These individuals usually cannot afford clothes and face severe financial difficulty, and therefore the funding Al-Hikmeh provides has a significant impact on their living standards. In 2020, clothing was distributed to 10,141 people across Iraq.

- Food Programme: The financial difficulties facing orphans and the poor families means that they cannot regularly afford basic nourishment levels. Therefore Al-Hikmeh provided funding to ensure that this basic need is met. This support accounted for the feeding of 52,184 people.

- Home Appliances Programme: Al-Hikmeh supports initiatives to provide essential home appliances, such as, stoves, ovens, fridges, vacuum cleaners etc to families to improve their quality of life. In 2020, grant funding for the home appliances programme provided appliances to 4,711 people's homes.

- Home construction and renovation programme: One of the basic human rights is to have a safe shelter. Many orphans and their families either do not have a place to stay or live in unsafe conditions. Therefore Al-Hikmeh supports programmes which build and renovate homes for orphans and their families. In 2020, the grant for this programme contributed towards 32 projects being competed.

- Health Programme: Al-Hikmeh Foundation continues to place great importance on its health programme which focuses specifically on providing a range of treatments to vulnerable orphans at hospitals and clinics, as well as medicines from pharmacies. This programme is especially important in Iraq as the country has a very poor and overstretched public healthcare system and private healthcare tends to be unaffordable to the orphans. As a result, it is fair to say this health programme is essential to the wellbeing of these Iraqi orphans who benefit from healthcare they would otherwise not have access to. During 2020, the grant towards the healthcare programme enabled a total number of 2,466 beneficiaries to receive some form of healthcare.

Measuring Achievements

All activities carried out by Al-Hikmeh foundation during this reporting period are subject to performance reviews which are received and reviewed by the Trustees. These include the reviews of our partner to determine the overall impact, achievements and performances of our activities in addition to site monitoring visits and sample inspection of project implementation and sample examination of financial records.

The impact Al-Hikmeh Foundation has had on the lives of those afflicted in Iraq has been incredibly positive with the amount of families that have benefited from the various programmes funded by Al-Hikmeh Foundation. Beneficiaries have expressed their gratefulness to the Charity in turning around their lives from having no hope, to being provided a stepping stone to achieving more than they ever could have thought with their lives.

It is evident that because of the opportunities given to the orphans, they grow up having better health, education, and quality of life, and therefore are empowered to make a meaningful contribution to society and move towards independence. Across 2020, through AHF's grants totalling £1,897,043 (2019 - £4,425,184), we were able to reach around 96,253 people (2019 - 90,000 people) who benefitted through various programs that our partner runs.

Financial review

For the year ended 31 December 2020, the Foundation received an income of £1,996,859 (2019 - £4,425,184). Expenditure totalled £2,007,496 (2019 - £4,424,439). Total unrestricted funds carried forward for the Foundation as 31 December 2020 were £12,665 (2019 - £23,302).

Reserves Policy

Subsequent to consultation, the Board of Trustees concluded that it is to preserve a policy on reserves of £12,000 should a reduction in income occur. The Trustees consider that this amount of reserve is adequate funds to ensure governance and other operating costs are covered. Potential risks facing the Charity have been considered through the means of risk assessment in defining this policy. As a result of the COVID-19 pandemic, it is the Trustees' view that the level of reserves maintained by the Charity is deemed sufficient.

Going Concern

The Board of Trustees have regarded the financial position of the Foundation to be healthy, sustainable and ready to move forward to the next financial year. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies. Although the COVID-19 pandemic disturbed and continues to disturb the distribution of aid to some level, our partners managed to overcome and adapt to this new reality and as a result, our work has not been impacted significantly.

The charity does not have on-going commitments of any significance and hence is not reliant on future funding to sustain its going concern position.

Risk Management

An effective risk management is essential to ensure that the Trustees can take appropriate and timely action where risks are identified and are better placed to achieve the Charity's mission statement. The Charity manages the risks through a risk assessment which is regularly reviewed, updated and monitored. This proactive approach allows Trustees to take the necessary course of action once risks have been identified, either to:

- Minimise the impact of risk for example with contingency planning;
- Accept the risk;
- Transfer the risk (Insurance);
- Reduce the risk (if complete avoidance is impossible or disproportionately expensive in time or money); or
- Monitor the risk.

The Trustees should be clear about the risks in the context of Al-Hikmeh Foundation's charitable mission and in identifying risks, which may impede its ability to deliver its strategic objectives. This policy is, therefore, reviewed and aligned with any strategic plans for the Charity as developed over time to ensure that relevant risks are identified and dealt with accordingly.

Principal risks facing the Charity

The Board of Trustees, having discussed and analysed, have identified the following principal risks:

- Dependency on partner organisation
- Limited donor base
- High-risk operating area of partner organisation
- The long-term impact of the COVID-19 pandemic

These risks are constantly investigated, and suitable actions are carried out adhering to the policy outline above. The risks are regularly re-visited, monitored and updated as decided by the Board of Trustees.

Plans for the future

The Board of Trustees of Al-Hikmeh Foundation have agreed on a one-year plan of activities of the Charity will include:

- Enhancing the reporting and data gathering regime with partner organisation
- Continue to look at possible ways to diversify income streams, within the foundation's operational framework, to reduce the risk the Charity faces.
- Continue to monitor the impact of COVID-19 pandemic and ensure review of the mitigation that is in place to safeguard operations.
- Look to employ a staff member on a part-time basis to manage the workload.

The Charity will continue to focus on how to improve to maximise the effects on the lives of the beneficiaries and society in general through its charitable objectives.

Policy for the remuneration of Key Management Personnel

The Charity considers the Key Management Personnel of the Charity to be the Trustees.

- Al-Hikmeh Foundation Trustees are not paid in their capacity as a Trustee.

- Provided that they meet the criteria of the Charity Commission guidance for 'Payments to Charity Trustees', they can be reimbursed if sought by Trustees for out of pocket expenses, in consideration of its reasonability. Similarly, they may also be paid for extra ordinary work for the Charity, if it is agreed upon by the Board of Trustees, and if there are no alternative staff members who can supply the work in question.

This report was approved and authorised for issue by the Trustees on 18/10/2021 and signed on its behalf by:

Z Thamer
....
Dr Z Thamer
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:

....
Dr Z Thamer
Chair of Trustees
Date: 18/10/2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION

Opinion

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its incoming resources and application of resources 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Matters on which we are required to report by exception

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

- the information given in the Trustees' 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place
- Testing the operational effectiveness of the controls;
- 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;
- Review the due diligence processes in place on major donors and enquiry of legal advisers for the confirmation of donations receive in the year;
- Performing audit work over the grant making and monitoring process;
- Reviewing minutes of meetings of those charged with governance;
- 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 occuring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-HIKMEH FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the charity'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 charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 27 October 2021

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations	3	**1,996,859**	**1,996,859**	4,425,184
Total income		**1,996,859**	**1,996,859**	4,425,184
Expenditure on:				
Charitable activities	4	**2,007,496**	**2,007,496**	4,424,439
Total expenditure		**2,007,496**	**2,007,496**	4,424,439
Net movement in funds		**(10,637)**	**(10,637)**	745
Reconciliation of funds:				
Total funds brought forward		**23,302**	**23,302**	22,557
Net movement in funds		**(10,637)**	**(10,637)**	745
Total funds carried forward		**12,665**	**12,665**	23,302

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	8		**308**		513
			308		513
Current assets					
Debtors	9	**300**		300	
Cash at bank and in hand	12	**20,037**		29,989	
		20,337		30,289	
Creditors: amounts falling due within one year	10	**(7,980)**		(7,500)	
Net current assets			**12,357**		22,789
Total assets less current liabilities			**12,665**		23,302
Net assets excluding pension asset			**12,665**		23,302
Total net assets			**12,665**		23,302
Charity funds					
Restricted funds			**-**		-
Unrestricted funds			**12,665**		23,302
Total funds			**12,665**		23,302

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Z Thamer

....

Dr Z Thamer
Chair
Date: 18 October 2021

The notes on pages 17 to 26 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	11	**(9,952)**	898
Change in cash and cash equivalents in the year		**(9,952)**	**898**
Cash and cash equivalents at the beginning of the year		**29,989**	29,091
Cash and cash equivalents at the end of the year	12	**20,037**	29,989

The notes on pages 17 to 26 form part of these financial statements

1. General information

The Charity is a Charitable Incorporated Organisation ("CIO"), registered in England and Wales, and a registered Charity (Charity Registered Number 1167756) in England and Wales.

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.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Al-Hikmeh Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevent accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and amounts are rounded to the nearest pound.

2.2 Going concern

There are no material uncertainties about the Charity's ability to continue. The Trustees have considered the level of funds held and the expected income and expenditure for at least 12 months from authorising the 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. Although the COVID-19 pandemic disturbed the distribution of aid to some level, our partners managed to overcome this and as a result, our work has not been impacted significantly.

2.3 Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.4 Income

Donations are recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25% Straight line

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.10 Financial instruments

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 9. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 10. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which 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 costs 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.

3. Income from donations

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	1,986,859	**1,986,859**
Grants	10,000	**10,000**
	1,996,859	**1,996,859**

Income from grants relates to the £10,000 received from Brent Council under the Small Business Grant Fund (SBGF) (2019 - £NIL). There are no unfulfilled conditions or other contingencies attaching to grants recognised as income in either year.

	Unrestricted funds 2019 £	Total funds 2019 £
Donations	4,425,184	4,425,184

4. Analysis of expenditure on charitable activities

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Relief of Poverty	1,897,043	110,453	**2,007,496**

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Relief of Poverty	40	4,427,341	(2,942)	4,424,439

4. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Depreciation	205	153
IT and digital	-	308
Legal and professional fees	-	4,714
Bank charges	320	463
Insurance	774	801
Governance costs	9,480	8,342
Account/subscription fees	324	40
Telephone	42	54
Printing	-	42
Rent	2,475	3,600
Foreign exchange loss/(gain)	96,798	(21,459)
Registration costs	35	-
Total 2020	110,453	(2,942)

5. Grants to institutions

	2020 £	2019 £
Orphan Charity Foundation	1,897,043	4,427,341
	1,897,043	4,427,341

The Orphan Charity Foundation is registered in Iraq with General Secretariat to the Council of Ministers, NGO Directorate with registration number 1K73462 as a non-governmental organisation.

6. Governance costs

	2020 **£**	2019 £
Auditor's remuneration - Other services	**1,800**	1,742
Auditor's remuneration - Audit of the financial statements	**7,680**	6,600
Total	**9,480**	8,342

7. Trustees' remuneration and expenses

During the year, no Trustees, who comprise all the Key Management Personnel of the Charity, received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

During the year ended 31 December 2020, the Charity had no employees (2019 - £NIL).

8. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2020	**819**
At 31 December 2020	**819**
Depreciation	
At 1 January 2020	**306**
Charge for the year	**205**
At 31 December 2020	**511**
Net book value	
At 31 December 2020	**308**
At 31 December 2019	513

9. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	**300**	300
	300	300

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Accruals	**7,980**	7,500

11. Reconciliation of net movement in funds to net cash flow from operating activities

	Note	2020 £	2019 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)		**(10,637)**	745
Adjustments for:			
Depreciation charges	8	**205**	153
Increase in creditors	10	**480**	-
Net cash provided by/(used in) operating activities		**(9,952)**	898

12. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	**20,037**	29,989
Total cash and cash equivalents	**20,037**	29,989

13. Analysis of changes in net debt

	At 1 January 2019 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	29,989	(9,952)	20,037
	29,989	(9,952)	20,037

14. Related party transactions

During the year an unrestricted donation of £3,000 was made to the Charity by a Trustee (2019 - £NIL).