



The Aziz Foundation
Annual Report and Financial Statements
For the year ended 31 March 2023

Charity Registration Number
1169558

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REFERENCE AND ADMINISTRATION INFORMATION

Board of Trustees	Asif Haroon Aziz (Chair) Hussein Haroon Aziz Rahima Aziz Talat Habib Malik
Principal office	16 Babmaes Street London SW1Y 6HD
Charity registration number	1169558
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank 1 Churchill Place Canary Wharf London E14 5HP

Trustees' report for the year to 31 March 2023

TRUSTEES' REPORT

The Trustees present their statutory report, together with the financial statements of The Aziz Foundation, for the year to 31 March 2023.

Governance and Management

Constitution

The Aziz Foundation (the "Foundation") commenced its operations on 14 August 2015 following the adoption of its constitution and was registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 10 October 2016, charity registration number 1169558.

Board of Trustees

As at 31 March 2023, the Foundation has four Trustees who have served throughout the period covered in this report. They are named in the reference and administrative information on page 2. The constitution requires a minimum of three Trustees to be active during each reporting year. The Trustees do not receive any remuneration for their work as Trustees.

New Trustees may be appointed by the Board of Trustees. Proposed new Trustees would be required to meet the existing Board, and if approved, would be provided with The Aziz Foundation constitution and brought up to date on the Foundation's grant making processes, annual report(s), relevant Charity Commission policies and charity law.

The Trustees are responsible for overall strategy and specific time-sensitive priorities across the Foundation's grant making work. They receive updates on finances and performance, as well as information on the impact of major grants. They are also provided with updates on charity law and matters relating to the administration of the Foundation.

The Trustees are responsible for preparing the Trustees' report and financial statements, which must comply with statutory requirements and the Foundation's governing document.

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

The Trustees maintain the Foundation's records and information systems and manage the financial affairs of the Foundation. They are responsible for the safeguarding of the Foundation's assets and for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Governance and Management (continued)

Management

The Aziz Foundation delivers a dynamic programme of philanthropic work that awards scholarships, occasional grants and sponsors internships.

The implementation of the Foundation's work programme is delegated to the staff who work closely with the Chair of Trustees. The staff are responsible for delivering the Foundation's strategic objectives and priorities, implementing its work programmes, and for the monitoring and management of grants and awards. Policies and processes for internal organisational development and external grant making have been set up, and all staff have been trained in these policies.

The bulk of the work is the management of the Masters Scholarships programme and the internships scheme. Three Programme managers, who work closely as a team and are in regular communication with the Chair of the Trustees, carry this out. Since January 2023, the Programme Managers have been supported by a Communications Manager and an Internships Manager.

Related parties

During the year, the Foundation received donations, both in the form of cash and in-kind support, from Miflats Basildon, Miflats Croydon, Coventry House, Croydon Investment, Basildon Properties, Bracknell Properties and Trocadero (London).

Risk Management

Through formal governance policies and procedures, carefully monitoring programmes and ensuring that controls exist over key financial systems, the Foundation has established effective ways to mitigate and manage risks to its work. Further, after examining operational risks faced by the Foundation at different levels of governance and management, measures, procedures and checks have been put in place to ensure that grant making and scholarships are monitored as necessary. For example, before grants are awarded the Foundation will carry out detailed due diligence on applicant organisations and their projects, including speaking to any current funders of the applicants. Once grants are awarded, where possible the Foundation staff visit grantees' premises, projects and events to inspect the work that the Foundation has awarded grants towards. Also, prior to making the final grant award, the Foundation requests progress reports from the grantees. Similarly, before awarding a scholarship, the Foundation's staff conduct due diligence on applicants including reviewing evidence of their student debt and qualifications as well as interviewing them and obtaining references. After a scholarship is awarded, recipients are expected to submit reports from their university confirming their progress on their course.

Governance and Management (continued)

Risk Management (continued)

Any risk around internships is managed through scrutiny of the host organisation, interview(s) with prospective interns and obtaining references for the interns. Host organisations also submit regular reports on the interns and the Foundation's staff will meet separately with the intern to discuss their experiences during the internship.

The Trustees have examined the risks faced by the Foundation and are satisfied that systems are in place to manage and mitigate exposure to those risks.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' report and 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 and 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 the income and expenditure of the charity for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe established methods and principles in 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 United Kingdom (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Governance and Management (continued)

Statement of Trustees' Responsibilities (continued)

In so far as the Trustees are aware:

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

Charitable Objectives and Policies

Charitable Objectives

The Foundation is a grant making charity and supports purposes which are within those listed in the Charities Act 2011. It assists individuals who will ultimately benefit communities that the Foundation supports.

The Foundation makes grants in accordance with its constitution and grant making policies. The objectives of the Foundation are to further such exclusively charitable purposes for the public benefit according to the law of England and Wales as the charity Trustees shall determine in their absolute discretion. Trustees take care to ensure that where grants are not made to registered charities, they are always made for charitable purposes and the use of any grants made is monitored closely.

When reviewing the Foundation's aims and objectives, the Trustees consider the potential benefit to the public and the furthering of the Foundation's mission to support disadvantaged communities. The Foundation is refining how impact assessment is incorporated into its work, always aiming to learn from those it seeks to benefit.

Grant Making Policy

At the end of each financial year, the Trustees review the Foundation's grant making policy for the forthcoming year. They consider the Foundation's overall grant making strategy as required, including long-term and short-term issues that may affect the Foundation's grantees. The Trustees award grants only to UK universities, registered charities and organisations running projects for charitable purposes in accordance with the Charities Act 2011.

Those applicants not registered as a charity are reviewed on a case-by-case basis, considering the status of the applicant, its organisational structure, and the requested purpose of the grant.

Charitable Objectives and Policies (continued)

Grant Making Policy (continued)

The Trustees have ultimate responsibility for all grant making decisions in line with the Foundation's charitable purposes and any restrictions agreed with funding partners. However, the Trustees may delegate certain decision-making responsibilities to the Foundation's staff. The Trustees reserve the right not to approve any recommendation or nomination if, after due consideration, they determine that the resulting grant would not be charitable or falls outside its priorities.

Terms and conditions for grants are drafted by the Foundation's Programme Managers in discussion with grantees.

Funding Priorities

The Foundation's grant making during this financial year has focused on awarding scholarships to those looking to study Masters Degrees. This Masters Scholarship scheme covers tuition fees for British Muslims studying Masters courses at Universities in the UK. The aim is to support emerging leaders who have a high level of commitment to the community as well as aspirations to lead and inspire in their respective field.

In particular, we are supporting people who can:

- positively transform perceptions of Islam and Muslims in the UK by promoting understanding and engagement; and
- facilitate better representation and contribution of Muslim communities to civil society.

The Foundation's scholarships programme is designed to channel the Foundation's efforts into developing leadership within Muslim communities that is both credible and effective, with the professional and academic skillset to be at the forefront of catalysing enduring change. The current priority areas are: Law, Media and Journalism, Policy, Technology, Sustainability and Arts and Culture.

The Masters Scholarships programme represents a major initiative dedicated exclusively to British Muslim communities. It builds on the successes of the Foundation's existing scholarships schemes – a fact acknowledged by the Board - and further widens the pool of British Muslims benefited by the Foundation. This expansion of the programme stems from the need to supplement a focus on specific academic areas in which there is an underrepresentation of British Muslims, with an approach that reaches out to greater numbers across disciplines. This is a strategy grounded in the principle that leaders in the community make an impact in various professional capacities and walks of life. During the financial year, 74 scholarships were awarded to students starting postgraduate courses at 22 different UK universities.

Charitable Objectives and Policies (continued)

Funding Priorities (continued)

This year the Foundation continued to add more universities to its list of Preferred Partner institutions. The Foundation has been building strong and close relationships with universities to help ensure campuses are friendly and inclusive spaces for Muslim students and is pleased to have welcomed around ten new universities as partners.

Additionally, the Foundation facilitated 32 internships and apprenticeships. These internships are opportunities for British Muslims to secure work experience in industries in which they are traditionally underrepresented, so they feel encouraged to consider careers in these industries, and successfully compete for jobs. The Foundation has been prioritising internships with media organisations and has so far offered internships at news outlets including the Evening Standard, the Financial Times and The Bureau of Investigative Journalism. More broadly, the Foundation is also awarding internships in areas aligned with its scholarship subject areas such as Law and has recently sponsored internships at Garden Court Chambers.

Fundraising Statement

The charity does not actively solicit donations and therefore is not registered with the Fundraising Regulator or does not subscribe to any fundraising code of practice. During 2022/23, the charity received no complaints about fundraising activities.

Activities, Performance and Achievements

Review of Activities

The Foundation's work is broadly made up of sponsored internships paid to host organisations, tuition fee only scholarships awards, paid directly to the university, and some grants.

Grants Awarded

53 grants were awarded during 2022/23. This includes grants for 32 internships and grants to other organisations such as the National College for the Training of Journalists' Journalism Diversity Fund and the Young Westminster Foundation.

Trustees' report for the year to 31 March 2023

Financial Review

Results for the financial year

A summary of the year's results can be found on page 15 of this report and financial statements. During the year ended 31 March 2023, total income amounted to £2,155,057 (2022 – £1,482,542), all of which was unrestricted in nature.

The Trustees made grants totalling £1,950,922 (2022 – £1,313,530) including allocated staff costs. In addition, the charity incurred support costs of £204,135 (2022 – £169,012).

Reserves Policy

The Trustees have examined the Foundation's requirements for reserves considering the main risks to the Foundation and its future grant making projections. The Trustees have received assurance from AA Property Holdings Limited and ACT Property Holdings Limited that the companies will provide funds to the Foundation, on a timely basis, for the next 12 months from the date of this report to enable the Foundation to pay the grants that become payable and for any administrative running costs of the Foundation. This support will protect the Foundation and its long-term charitable giving strategy by providing sufficient additional resources, as required, to adjust to changing financial circumstances.

In light of this assurance the Trustees do not consider it necessary for the Foundation to hold free reserves.

Future Plans

The Foundation continues to offer a comprehensive postgraduate scholarships scheme, which supports emerging leaders within Muslim communities in the UK. As the scholarships programme becomes more established, the Foundation has grown its internships programme to help extend its focus and impact.

The Foundation has been forging ahead with its preferred partnerships scheme and is regularly meeting with universities and welcoming new universities on board as partners. For the upcoming year, the Foundation intends to continue this work to secure partnerships with more universities so that we can offer scholarships at a wider range of institutions committed to creating an inclusive learning environment for British Muslim students. To further this line of work, the Foundation is also developing the 'Muslim Friendly Universities' initiative to facilitate equality, diversity and inclusion (EDI) interventions on university campuses, with the aim of bettering the experiences of British Muslim students.

Scholarships have also been delimited by subject area, namely to Law, Media and Journalism, Policy, Technology, Sustainability and Arts and Culture. Eligible candidates have had to demonstrate how their chosen programme will assist them in realising their aspirations in these professional areas. The Board of Trustees will work alongside the Foundation's staff to review these designated subject categories to decide whether they should be modified in the coming year.

Trustees' report for the year to 31 March 2023

Future Plans (continued)

The internships programme is an exciting addition to the Foundation's philanthropic endeavours and it is expected to be a growing area of work in the next financial year.

Signed on behalf of the Board of Trustees



Trustee (Chair)

Approved by the Trustees on:



Trustee

06 Dec 2023

Asif Haroon Aziz

Independent auditor's report for the year to 31 March 2023

Independent auditor's report to the Trustees of the Aziz Foundation

Opinion

We have audited the accounts of The Aziz Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorized 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 for the year to 31 March 2023

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 for the year to 31 March 2023

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ reviewed cashbook entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimate for the investment property valuation were indicative of potential bias.

Independent auditor's report for the year to 31 March 2023

Auditor's responsibilities for the audit of the accounts (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

12 December 2023

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

**Statement of financial activities (including income and expenditure account)
for the year to 31 March 2023**

			Year to 31 March 2023 Total £	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £
Notes	Unrestricted funds £	Restricted funds £				
Income from:						
Donations	1 2,154,957	-	2,154,957	1,438,835	-	1,438,835
Coronavirus Job Retention Scheme	-	-	-	43,675	-	43,675
Investment income	100	-	100	32	-	32
Total income	2,155,057	-	2,155,057	1,482,542	-	1,482,542
Expenditure on:						
Charitable activities - Promoting and enhancing charitable work						
. Grants payable	2 1,950,922	-	1,950,922	1,313,530	-	1,313,530
. Support costs	3 204,135	-	204,135	169,012	-	169,012
Total expenditure	2,155,057	-	2,155,057	1,482,542	-	1,482,542
Net income and net movement in funds	-	-	-	-	-	-
Reconciliation of funds						
Total funds at 1 April 2022	-	-	-	-	-	-
Total funds at 31 March 2023	-	-	-	-	-	-

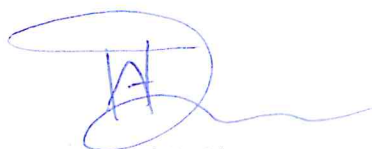
The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet as at 31 March 2023

	Notes	2023 Total £	2022 Total £
Current assets			
Debtors	6	1,748,222	1,154,664
Cash at bank and in hand		1,144	7,939
		1,749,366	1,162,603
Liabilities			
Creditors: falling due within one year	7	(1,235,085)	(883,436)
Net current assets		514,281	279,167
Creditors: amount falling due after more than one year	8	(514,281)	(279,167)
Total net assets		-	-
The funds of the charity			
<i>Income funds</i>			
Restricted funds	9	-	-
Unrestricted general funds		-	-

Approved by the Trustees
and signed on their behalf by:



Trustee (Chair)

Approved by the Trustees on: 6 December 2023

Asif Haroon Aziz



Trustee

Statement of cash flows for the year to 31 March 2023

	Notes	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Cash flows from operating activities			
Net cash flows (used in) provided by operating activities	A	(6,795)	6,105
		(6,795)	6,105
Change in cash and cash equivalents		(6,795)	6,105
Cash and cash equivalents at 1 April 2022	B	7,939	1,834
Cash and cash equivalents at 31 March 2023	B	1,144	7,939

Notes to the statement of cash flows for the year ended 31 March 2023:

A Reconciliation of net movement in funds to net cash flows from operating activities

	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Net movement in funds (as per statement of financial activities)	-	-
Adjustments for:		
(Increase) decrease in debtors	(593,558)	17,688
Increase (decrease) in creditors	586,763	(11,583)
Net cash (used in) provided by operating activities	(6,795)	6,105

B Analysis of cash and cash equivalents

	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Cash and cash equivalents (cash at bank and in hand)	1,144	7,939

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies for the year to 31 March 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of preparation

These financial statements have been prepared for the year to 31 March 2023, with comparative information for the year to 31 March 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Other than the assessment of going concern, as set out below, the preparation of the financial statements did not require the Trustees to make any significant judgements or estimates.

c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees have received assurance from AA Property Holdings Limited that the company will provide funds to the Foundation, on a timely basis, for the next 12 months from the balance sheet date to enable the Foundation to pay the grants that become payable and for any administrative running costs of the Foundation.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

d) Income recognition

Income is recognised in the year in which the charity is entitled to receipt, the amount can be measured reliably, and it is probable that income will be received.

Income during the year is comprised entirely of donations which are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity.

Principal accounting policies for the year to 31 March 2023

d) Income recognition (continued)

An equivalent amount is included as expenditure. Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of obligation can be measured reliably.

Expenditure comprises grants payable as part of the Foundation's charitable activities, as well as administrative costs pertaining to the charity and its grant-making. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.

All expenditure is stated inclusive of irrecoverable VAT.

f) Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

g) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

h) Creditors

Creditors 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. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. Where material they have been discounted to the present value of the future cash payment.

i) Fund accounting

The general unrestricted funds represent funds available for the general charitable purposes of the charity at the discretion of the Trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

j) Pension scheme

Contributions are paid into a personal pension scheme for all employees. Pension contributions are charged to the Statement of Financial Activities in the year in which they fall due.

k) Allocation of support costs

Support costs, comprising the staff costs of the corporate function, are apportioned to the charitable activity based on the time spent by employees in processing and monitoring scholarships and other programme work.

Notes to the financial statements for the year ended 31 March 2023

1 Donations

	Unrestricted funds £	Restricted funds £	Year to 31 March 2023 Total £	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £
Donations	1,542,000	-	1,542,000	1,422,000	-	1,422,000
Donations in kind	13,200	-	13,200	13,200	-	13,200
Re-measurement of amounts receivable	599,757	-	599,757	3,635	-	3,635
Total funds	2,154,957	-	2,154,957	1,438,835	-	1,438,835

The donation in kind relates to the in-kind support the Foundation received from Criterion Capital Limited consisting of staff time and provision of office premises.

2 Grants payable

	Unrestricted funds £	Restricted funds £	Year to 31 March 2023 Total £	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £
Masters Scholarships						
Direct grant costs	793,977	-	793,977	590,098	-	590,098
Cancelled grants	-	-	-	(106,240)	-	(106,240)
	793,977	-	793,977	483,858	-	483,858
General Fund						
Direct grant costs	1,156,945	-	1,156,945	832,288	-	832,288
Cancelled grants	-	-	-	(2,616)	-	(2,616)
	1,156,945	-	1,156,945	829,672	-	829,672
Total funds	1,950,922	-	1,950,922	1,313,530	-	1,313,530

During the year, the number of grants awarded was as follows;

Masters Scholarships: 74 (2022 – 50)

Bursaries: 0 (2022 – 6)

Grants: 53 (2022 – 32)

3 Support costs

	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Staff costs (note 4)	169,236	142,253
Other administration costs	15,499	7,559
Office premises gift in kind	13,200	13,200
Audit fee	6,200	6,000
Total funds	204,135	169,012

Notes to the financial statements for the year ended 31 March 2023

4 Staff costs

	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Staff costs during the year were as follows:		
Wages and salaries	154,177	126,876
Social security costs	11,611	12,784
Other pension costs	3,448	2,593
	169,236	142,253

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2022 - none).

The average number of employees, analysed by function, was as follows:

	2023 No.	2022 No.
Grant and charity administration	4	4

5 Taxation

The Aziz Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

6 Debtors

	2023 Total £	2022 Total £
Donations receivable (note 11)	1,748,222	1,154,664

7 Creditors: falling due within one year

	2023 Total £	2022 Total £
Grants payable	1,226,716	875,067
Accruals	8,369	8,369
Total creditors falling due within one year	1,235,085	883,436
Grant commitments at 1 April 2022	1,154,234	1,167,740
Commitments made in the year	1,950,922	1,313,530
Grants paid during the year	(1,364,159)	(1,327,036)
Grant commitments at 31 March 2023	1,740,997	1,154,234
Falling due within one year	1,226,716	875,067
Falling due in more than one year (note 8)	514,281	279,167
	1,740,997	1,154,234

Notes to the financial statements for the year ended 31 March 2023

8 Creditors: falling due after more than one year

	2023 Total £	2022 Total £
Grants payable (note 7)	514,281	279,167

9 Analysis of net assets between funds

	Restricted funds £	General fund £	Total 2023 £
Fund balances at 31 March 2023 are represented by:			
Net current assets	-	514,281	-
Creditors: amounts falling due after more than one year	-	(514,281)	-
Total net assets	-	-	-
	Restricted funds £	General fund £	Total 2022 £
Fund balances at 31 March 2022 are represented by:			
Net current assets	-	279,167	-
Creditors: amounts falling due after more than one year	-	(279,167)	-
Total net assets	-	-	-

10 Remuneration of Trustees and key management personnel

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The Trustees receive no remuneration or reimbursement of expenses in connection with their duties.

11 Related party transactions

During the year, the Foundation received donations, both in the form of cash and in-kind support totalling £1,555,200 (2022 - £1,435,200), from AA Property Holdings Limited through Bracknell Property, Miflats Basildon and Miflats Croydon. The Chair of the Foundation is the Settlor of the Aziz Family Star Trust, which is the ultimate owner of the companies. Amounts receivable at 31 March 2023 were £1,748,222 (2022: £1,154,664). Additionally, Rahima Aziz was awarded a discretionary tuition fees scholarship in financial year 2022-23 for an amount of £nil (2022- £9,250). She was not in any way involved in this decision or award.



The Aziz Foundation
Annual Report and Financial Statements
For the year ended 31 March 2023

Charity Registration Number
1169558

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REFERENCE AND ADMINISTRATION INFORMATION

Board of Trustees	Asif Haroon Aziz (Chair) Hussein Haroon Aziz Rahima Aziz Talat Habib Malik
Principal office	16 Babmaes Street London SW1Y 6HD
Charity registration number	1169558
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank 1 Churchill Place Canary Wharf London E14 5HP

Trustees' report for the year to 31 March 2023

TRUSTEES' REPORT

The Trustees present their statutory report, together with the financial statements of The Aziz Foundation, for the year to 31 March 2023.

Governance and Management

Constitution

The Aziz Foundation (the "Foundation") commenced its operations on 14 August 2015 following the adoption of its constitution and was registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 10 October 2016, charity registration number 1169558.

Board of Trustees

As at 31 March 2023, the Foundation has four Trustees who have served throughout the period covered in this report. They are named in the reference and administrative information on page 2. The constitution requires a minimum of three Trustees to be active during each reporting year. The Trustees do not receive any remuneration for their work as Trustees.

New Trustees may be appointed by the Board of Trustees. Proposed new Trustees would be required to meet the existing Board, and if approved, would be provided with The Aziz Foundation constitution and brought up to date on the Foundation's grant making processes, annual report(s), relevant Charity Commission policies and charity law.

The Trustees are responsible for overall strategy and specific time-sensitive priorities across the Foundation's grant making work. They receive updates on finances and performance, as well as information on the impact of major grants. They are also provided with updates on charity law and matters relating to the administration of the Foundation.

The Trustees are responsible for preparing the Trustees' report and financial statements, which must comply with statutory requirements and the Foundation's governing document.

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

The Trustees maintain the Foundation's records and information systems and manage the financial affairs of the Foundation. They are responsible for the safeguarding of the Foundation's assets and for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Governance and Management (continued)

Management

The Aziz Foundation delivers a dynamic programme of philanthropic work that awards scholarships, occasional grants and sponsors internships.

The implementation of the Foundation's work programme is delegated to the staff who work closely with the Chair of Trustees. The staff are responsible for delivering the Foundation's strategic objectives and priorities, implementing its work programmes, and for the monitoring and management of grants and awards. Policies and processes for internal organisational development and external grant making have been set up, and all staff have been trained in these policies.

The bulk of the work is the management of the Masters Scholarships programme and the internships scheme. Three Programme managers, who work closely as a team and are in regular communication with the Chair of the Trustees, carry this out. Since January 2023, the Programme Managers have been supported by a Communications Manager and an Internships Manager.

Related parties

During the year, the Foundation received donations, both in the form of cash and in-kind support, from Miflats Basildon, Miflats Croydon, Coventry House, Croydon Investment, Basildon Properties, Bracknell Properties and Trocadero (London).

Risk Management

Through formal governance policies and procedures, carefully monitoring programmes and ensuring that controls exist over key financial systems, the Foundation has established effective ways to mitigate and manage risks to its work. Further, after examining operational risks faced by the Foundation at different levels of governance and management, measures, procedures and checks have been put in place to ensure that grant making and scholarships are monitored as necessary. For example, before grants are awarded the Foundation will carry out detailed due diligence on applicant organisations and their projects, including speaking to any current funders of the applicants. Once grants are awarded, where possible the Foundation staff visit grantees' premises, projects and events to inspect the work that the Foundation has awarded grants towards. Also, prior to making the final grant award, the Foundation requests progress reports from the grantees. Similarly, before awarding a scholarship, the Foundation's staff conduct due diligence on applicants including reviewing evidence of their student debt and qualifications as well as interviewing them and obtaining references. After a scholarship is awarded, recipients are expected to submit reports from their university confirming their progress on their course.

Governance and Management (continued)

Risk Management (continued)

Any risk around internships is managed through scrutiny of the host organisation, interview(s) with prospective interns and obtaining references for the interns. Host organisations also submit regular reports on the interns and the Foundation's staff will meet separately with the intern to discuss their experiences during the internship.

The Trustees have examined the risks faced by the Foundation and are satisfied that systems are in place to manage and mitigate exposure to those risks.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' report and 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 and 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 the income and expenditure of the charity for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe established methods and principles in 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 United Kingdom (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Governance and Management (continued)

Statement of Trustees' Responsibilities (continued)

In so far as the Trustees are aware:

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

Charitable Objectives and Policies

Charitable Objectives

The Foundation is a grant making charity and supports purposes which are within those listed in the Charities Act 2011. It assists individuals who will ultimately benefit communities that the Foundation supports.

The Foundation makes grants in accordance with its constitution and grant making policies. The objectives of the Foundation are to further such exclusively charitable purposes for the public benefit according to the law of England and Wales as the charity Trustees shall determine in their absolute discretion. Trustees take care to ensure that where grants are not made to registered charities, they are always made for charitable purposes and the use of any grants made is monitored closely.

When reviewing the Foundation's aims and objectives, the Trustees consider the potential benefit to the public and the furthering of the Foundation's mission to support disadvantaged communities. The Foundation is refining how impact assessment is incorporated into its work, always aiming to learn from those it seeks to benefit.

Grant Making Policy

At the end of each financial year, the Trustees review the Foundation's grant making policy for the forthcoming year. They consider the Foundation's overall grant making strategy as required, including long-term and short-term issues that may affect the Foundation's grantees. The Trustees award grants only to UK universities, registered charities and organisations running projects for charitable purposes in accordance with the Charities Act 2011.

Those applicants not registered as a charity are reviewed on a case-by-case basis, considering the status of the applicant, its organisational structure, and the requested purpose of the grant.

Charitable Objectives and Policies (continued)

Grant Making Policy (continued)

The Trustees have ultimate responsibility for all grant making decisions in line with the Foundation's charitable purposes and any restrictions agreed with funding partners. However, the Trustees may delegate certain decision-making responsibilities to the Foundation's staff. The Trustees reserve the right not to approve any recommendation or nomination if, after due consideration, they determine that the resulting grant would not be charitable or falls outside its priorities.

Terms and conditions for grants are drafted by the Foundation's Programme Managers in discussion with grantees.

Funding Priorities

The Foundation's grant making during this financial year has focused on awarding scholarships to those looking to study Masters Degrees. This Masters Scholarship scheme covers tuition fees for British Muslims studying Masters courses at Universities in the UK. The aim is to support emerging leaders who have a high level of commitment to the community as well as aspirations to lead and inspire in their respective field.

In particular, we are supporting people who can:

- positively transform perceptions of Islam and Muslims in the UK by promoting understanding and engagement; and
- facilitate better representation and contribution of Muslim communities to civil society.

The Foundation's scholarships programme is designed to channel the Foundation's efforts into developing leadership within Muslim communities that is both credible and effective, with the professional and academic skillset to be at the forefront of catalysing enduring change. The current priority areas are: Law, Media and Journalism, Policy, Technology, Sustainability and Arts and Culture.

The Masters Scholarships programme represents a major initiative dedicated exclusively to British Muslim communities. It builds on the successes of the Foundation's existing scholarships schemes – a fact acknowledged by the Board - and further widens the pool of British Muslims benefited by the Foundation. This expansion of the programme stems from the need to supplement a focus on specific academic areas in which there is an underrepresentation of British Muslims, with an approach that reaches out to greater numbers across disciplines. This is a strategy grounded in the principle that leaders in the community make an impact in various professional capacities and walks of life. During the financial year, 74 scholarships were awarded to students starting postgraduate courses at 22 different UK universities.

Charitable Objectives and Policies (continued)

Funding Priorities (continued)

This year the Foundation continued to add more universities to its list of Preferred Partner institutions. The Foundation has been building strong and close relationships with universities to help ensure campuses are friendly and inclusive spaces for Muslim students and is pleased to have welcomed around ten new universities as partners.

Additionally, the Foundation facilitated 32 internships and apprenticeships. These internships are opportunities for British Muslims to secure work experience in industries in which they are traditionally underrepresented, so they feel encouraged to consider careers in these industries, and successfully compete for jobs. The Foundation has been prioritising internships with media organisations and has so far offered internships at news outlets including the Evening Standard, the Financial Times and The Bureau of Investigative Journalism. More broadly, the Foundation is also awarding internships in areas aligned with its scholarship subject areas such as Law and has recently sponsored internships at Garden Court Chambers.

Fundraising Statement

The charity does not actively solicit donations and therefore is not registered with the Fundraising Regulator or does not subscribe to any fundraising code of practice. During 2022/23, the charity received no complaints about fundraising activities.

Activities, Performance and Achievements

Review of Activities

The Foundation's work is broadly made up of sponsored internships paid to host organisations, tuition fee only scholarships awards, paid directly to the university, and some grants.

Grants Awarded

53 grants were awarded during 2022/23. This includes grants for 32 internships and grants to other organisations such as the National College for the Training of Journalists' Journalism Diversity Fund and the Young Westminster Foundation.

Trustees' report for the year to 31 March 2023

Financial Review

Results for the financial year

A summary of the year's results can be found on page 15 of this report and financial statements. During the year ended 31 March 2023, total income amounted to £2,155,057 (2022 – £1,482,542), all of which was unrestricted in nature.

The Trustees made grants totalling £1,950,922 (2022 – £1,313,530) including allocated staff costs. In addition, the charity incurred support costs of £204,135 (2022 – £169,012).

Reserves Policy

The Trustees have examined the Foundation's requirements for reserves considering the main risks to the Foundation and its future grant making projections. The Trustees have received assurance from AA Property Holdings Limited and ACT Property Holdings Limited that the companies will provide funds to the Foundation, on a timely basis, for the next 12 months from the date of this report to enable the Foundation to pay the grants that become payable and for any administrative running costs of the Foundation. This support will protect the Foundation and its long-term charitable giving strategy by providing sufficient additional resources, as required, to adjust to changing financial circumstances.

In light of this assurance the Trustees do not consider it necessary for the Foundation to hold free reserves.

Future Plans

The Foundation continues to offer a comprehensive postgraduate scholarships scheme, which supports emerging leaders within Muslim communities in the UK. As the scholarships programme becomes more established, the Foundation has grown its internships programme to help extend its focus and impact.

The Foundation has been forging ahead with its preferred partnerships scheme and is regularly meeting with universities and welcoming new universities on board as partners. For the upcoming year, the Foundation intends to continue this work to secure partnerships with more universities so that we can offer scholarships at a wider range of institutions committed to creating an inclusive learning environment for British Muslim students. To further this line of work, the Foundation is also developing the 'Muslim Friendly Universities' initiative to facilitate equality, diversity and inclusion (EDI) interventions on university campuses, with the aim of bettering the experiences of British Muslim students.

Scholarships have also been delimited by subject area, namely to Law, Media and Journalism, Policy, Technology, Sustainability and Arts and Culture. Eligible candidates have had to demonstrate how their chosen programme will assist them in realising their aspirations in these professional areas. The Board of Trustees will work alongside the Foundation's staff to review these designated subject categories to decide whether they should be modified in the coming year.

Trustees' report for the year to 31 March 2023

Future Plans (continued)

The internships programme is an exciting addition to the Foundation's philanthropic endeavours and it is expected to be a growing area of work in the next financial year.

Signed on behalf of the Board of Trustees



Trustee (Chair)

Approved by the Trustees on:



Trustee

06 Dec 2023

Asif Haroon Aziz

Independent auditor's report for the year to 31 March 2023

Independent auditor's report to the Trustees of the Aziz Foundation

Opinion

We have audited the accounts of The Aziz Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorized 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 for the year to 31 March 2023

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 for the year to 31 March 2023

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ reviewed cashbook entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimate for the investment property valuation were indicative of potential bias.

Independent auditor's report for the year to 31 March 2023

Auditor's responsibilities for the audit of the accounts (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

12 December 2023

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

**Statement of financial activities (including income and expenditure account)
for the year to 31 March 2023**

			Year to 31 March 2023 Total £	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £
Notes	Unrestricted funds £	Restricted funds £				
Income from:						
Donations	1 2,154,957	-	2,154,957	1,438,835	-	1,438,835
Coronavirus Job Retention Scheme	-	-	-	43,675	-	43,675
Investment income	100	-	100	32	-	32
Total income	2,155,057	-	2,155,057	1,482,542	-	1,482,542
Expenditure on:						
Charitable activities - Promoting and enhancing charitable work						
. Grants payable	2 1,950,922	-	1,950,922	1,313,530	-	1,313,530
. Support costs	3 204,135	-	204,135	169,012	-	169,012
Total expenditure	2,155,057	-	2,155,057	1,482,542	-	1,482,542
Net income and net movement in funds	-	-	-	-	-	-
Reconciliation of funds						
Total funds at 1 April 2022	-	-	-	-	-	-
Total funds at 31 March 2023	-	-	-	-	-	-

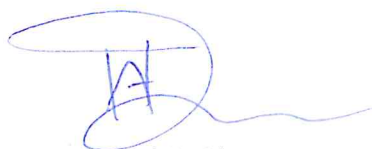
The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet as at 31 March 2023

	Notes	2023 Total £	2022 Total £
Current assets			
Debtors	6	1,748,222	1,154,664
Cash at bank and in hand		1,144	7,939
		1,749,366	1,162,603
Liabilities			
Creditors: falling due within one year	7	(1,235,085)	(883,436)
Net current assets		514,281	279,167
Creditors: amount falling due after more than one year	8	(514,281)	(279,167)
Total net assets		-	-
The funds of the charity			
<i>Income funds</i>			
Restricted funds	9	-	-
Unrestricted general funds		-	-
		-	-

Approved by the Trustees
and signed on their behalf by:



Trustee (Chair)

Approved by the Trustees on: 6 December 2023

Asif Haroon Aziz



Trustee

Statement of cash flows for the year to 31 March 2023

	Notes	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Cash flows from operating activities			
Net cash flows (used in) provided by operating activities	A	(6,795)	6,105
		(6,795)	6,105
Change in cash and cash equivalents		(6,795)	6,105
Cash and cash equivalents at 1 April 2022	B	7,939	1,834
Cash and cash equivalents at 31 March 2023	B	1,144	7,939

Notes to the statement of cash flows for the year ended 31 March 2023:

A Reconciliation of net movement in funds to net cash flows from operating activities

	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Net movement in funds (as per statement of financial activities)	-	-
Adjustments for:		
(Increase) decrease in debtors	(593,558)	17,688
Increase (decrease) in creditors	586,763	(11,583)
Net cash (used in) provided by operating activities	(6,795)	6,105

B Analysis of cash and cash equivalents

	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Cash and cash equivalents (cash at bank and in hand)	1,144	7,939

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies for the year to 31 March 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of preparation

These financial statements have been prepared for the year to 31 March 2023, with comparative information for the year to 31 March 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Other than the assessment of going concern, as set out below, the preparation of the financial statements did not require the Trustees to make any significant judgements or estimates.

c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees have received assurance from AA Property Holdings Limited that the company will provide funds to the Foundation, on a timely basis, for the next 12 months from the balance sheet date to enable the Foundation to pay the grants that become payable and for any administrative running costs of the Foundation.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

d) Income recognition

Income is recognised in the year in which the charity is entitled to receipt, the amount can be measured reliably, and it is probable that income will be received.

Income during the year is comprised entirely of donations which are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity.

Principal accounting policies for the year to 31 March 2023

d) Income recognition (continued)

An equivalent amount is included as expenditure. Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of obligation can be measured reliably.

Expenditure comprises grants payable as part of the Foundation's charitable activities, as well as administrative costs pertaining to the charity and its grant-making. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.

All expenditure is stated inclusive of irrecoverable VAT.

f) Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

g) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

h) Creditors

Creditors 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. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. Where material they have been discounted to the present value of the future cash payment.

i) Fund accounting

The general unrestricted funds represent funds available for the general charitable purposes of the charity at the discretion of the Trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

j) Pension scheme

Contributions are paid into a personal pension scheme for all employees. Pension contributions are charged to the Statement of Financial Activities in the year in which they fall due.

k) Allocation of support costs

Support costs, comprising the staff costs of the corporate function, are apportioned to the charitable activity based on the time spent by employees in processing and monitoring scholarships and other programme work.

Notes to the financial statements for the year ended 31 March 2023

1 Donations

	Unrestricted funds £	Restricted funds £	Year to 31 March 2023 Total £	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £
Donations	1,542,000	-	1,542,000	1,422,000	-	1,422,000
Donations in kind	13,200	-	13,200	13,200	-	13,200
Re-measurement of amounts receivable	599,757	-	599,757	3,635	-	3,635
Total funds	2,154,957	-	2,154,957	1,438,835	-	1,438,835

The donation in kind relates to the in-kind support the Foundation received from Criterion Capital Limited consisting of staff time and provision of office premises.

2 Grants payable

	Unrestricted funds £	Restricted funds £	Year to 31 March 2023 Total £	Unrestricted funds £	Restricted funds £	Year to 31 March 2022 Total £
Masters Scholarships						
Direct grant costs	793,977	-	793,977	590,098	-	590,098
Cancelled grants	-	-	-	(106,240)	-	(106,240)
	793,977	-	793,977	483,858	-	483,858
General Fund						
Direct grant costs	1,156,945	-	1,156,945	832,288	-	832,288
Cancelled grants	-	-	-	(2,616)	-	(2,616)
	1,156,945	-	1,156,945	829,672	-	829,672
Total funds	1,950,922	-	1,950,922	1,313,530	-	1,313,530

During the year, the number of grants awarded was as follows;

Masters Scholarships: 74 (2022 – 50)

Bursaries: 0 (2022 – 6)

Grants: 53 (2022 – 32)

3 Support costs

	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Staff costs (note 4)	169,236	142,253
Other administration costs	15,499	7,559
Office premises gift in kind	13,200	13,200
Audit fee	6,200	6,000
Total funds	204,135	169,012

Notes to the financial statements for the year ended 31 March 2023

4 Staff costs

	Year to 31 March 2023 Total £	Year to 31 March 2022 Total £
Staff costs during the year were as follows:		
Wages and salaries	154,177	126,876
Social security costs	11,611	12,784
Other pension costs	3,448	2,593
	169,236	142,253

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2022 - none).

The average number of employees, analysed by function, was as follows:

	2023 No.	2022 No.
Grant and charity administration	4	4

5 Taxation

The Aziz Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

6 Debtors

	2023 Total £	2022 Total £
Donations receivable (note 11)	1,748,222	1,154,664

7 Creditors: falling due within one year

	2023 Total £	2022 Total £
Grants payable	1,226,716	875,067
Accruals	8,369	8,369
Total creditors falling due within one year	1,235,085	883,436
Grant commitments at 1 April 2022	1,154,234	1,167,740
Commitments made in the year	1,950,922	1,313,530
Grants paid during the year	(1,364,159)	(1,327,036)
Grant commitments at 31 March 2023	1,740,997	1,154,234
Falling due within one year	1,226,716	875,067
Falling due in more than one year (note 8)	514,281	279,167
	1,740,997	1,154,234

Notes to the financial statements for the year ended 31 March 2023

8 Creditors: falling due after more than one year

	2023 Total £	2022 Total £
Grants payable (note 7)	514,281	279,167

9 Analysis of net assets between funds

	Restricted funds £	General fund £	Total 2023 £
Fund balances at 31 March 2023 are represented by:			
Net current assets	-	514,281	-
Creditors: amounts falling due after more than one year	-	(514,281)	-
Total net assets	-	-	-
	Restricted funds £	General fund £	Total 2022 £
Fund balances at 31 March 2022 are represented by:			
Net current assets	-	279,167	-
Creditors: amounts falling due after more than one year	-	(279,167)	-
Total net assets	-	-	-

10 Remuneration of Trustees and key management personnel

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The Trustees receive no remuneration or reimbursement of expenses in connection with their duties.

11 Related party transactions

During the year, the Foundation received donations, both in the form of cash and in-kind support totalling £1,555,200 (2022 - £1,435,200), from AA Property Holdings Limited through Bracknell Property, Miflats Basildon and Miflats Croydon. The Chair of the Foundation is the Settlor of the Aziz Family Star Trust, which is the ultimate owner of the companies. Amounts receivable at 31 March 2023 were £1,748,222 (2022: £1,154,664). Additionally, Rahima Aziz was awarded a discretionary tuition fees scholarship in financial year 2022-23 for an amount of £nil (2022- £9,250). She was not in any way involved in this decision or award.

The Trustees
The Aziz Foundation
16 Babmaes Street
London
SW1Y 6HD

12 December 2023

Our ref AFA002/KP/TB

Dear Trustees

Post-Audit Report – Year ended 31 March 2023

The purpose of this letter is to bring to the attention of the Trustees as those charged with governance the findings from our recent audit of the financial statements of The Aziz Foundation for the year ended 31 March 2023, for your consideration and to enable you to address matters arising where appropriate. Throughout this letter, “you” and “your” refer to the Trustees. “We” and “our” refer to Buzzacott LLP

We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

1. Purpose of the audit

As auditor, we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements for the year ended 31 March 2023 that have been prepared by management with the oversight of those charged with governance, and other matters required by legislation.

Our work has been carried out in accordance with our audit planning letter dated 14 August 2023.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your system of internal control.

The matters being reported are limited to those that were identified during the audit and that we conclude are of sufficient importance to merit being reported to those charged with governance.

2. Audit progress

We were able to complete the majority of the work in line with the agreed timetable. However, there were some delays in receiving the relevant information regarding grants payable.

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Saadia Mahmood and Aftab Ahmed.

3. Annual report and financial statements' format

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102).

There are no significant changes to the format of the financial statements this year.

4. Auditor's report

We do not propose any modifications to our audit report and, therefore, we are issuing an unqualified opinion in the report.

The wording of our auditor's report is unchanged from last year.

5. Adjustments made during the audit

Other than presentational amendments which have no impact on the reported results for the year, there were no adjustments made to the figures presented to us for audit.

6. Unadjusted misstatements

We are pleased to report that we found only clearly trivial misstatements during our audit for the period.

7. Accounting policies, accounting estimates and disclosures

The accounting policies used in preparing the financial statements are unchanged from the previous year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the charity. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the charity.

8. Letter of representation

We enclose the letter of representation which we will request the trustees to approve and sign at the same time as the financial statements. This includes acknowledgement of the trustees' responsibility for the design and implementation of internal controls to prevent and detect fraud.

As set out in our planning letter, we understand the following applied to the year ended 31 March 2023.

- Trustees exercised effective oversight of management's processes for identifying and responding to the risks of fraud in the charity and a system of internal controls was in place to mitigate these fraud risks.
- The key areas at most risk of fraud at the charity are through payments being made to false beneficiaries.
- Trustees were not aware of any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets.
- There have not been any out of the ordinary transactions.

If the above information is incorrect, please contact Katharine Patel or Tom Beswick.

9. Segregation of duties

We recognise that the number of your accounting staff makes a complete system of internal control impracticable and that the trustees exercise close personal supervision, which we consider reasonable in the circumstances. We have taken this into account in conducting our audit and in preparing this letter.

10. Accounting and internal control systems

Our work during the audit included an examination of some of the charity's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 March 2023.

This work was not directed primarily towards discovering weaknesses, other than those that would affect our audit opinion, or towards the detection of fraud. We have included in this report only matters that have come to our attention as a result of our normal audit procedures and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made.

For the first time this year, and in light of the revised auditing standard (ISA 315) referred to in our planning letter, we placed increased emphasis on the charity's IT controls and wider IT environment. Information was gathered at the planning stage in respect of access permissions to key systems housing financial data with controls over access being checked as part of the audit. We also gained a deeper understanding of the charity's general IT infrastructure, its data storage and back up procedures.

We found no significant deficiencies in the accounting and internal control systems during our audit.

11. Prior year observation

We raised one observation in the prior year post audit report in relation to authorisation of expenditure. We are pleased to report that, based upon our audit testing this year, this appears to have been resolved.

12. Materiality

Materiality threshold £43,100

Reporting threshold: £2,155

Materiality refers to the relative significance of a particular matter in the context of the financial statements as a whole. An item would be considered material if its omission or its erroneous inclusion would reasonably influence the decisions of those using the financial statements.

We are required to report corrected audit misstatements, and uncorrected audit misstatements in excess of our reporting threshold which is set at 5% of overall materiality.

Our materiality threshold is based on 2% of expenditure. A lower level of materiality may be selected for specific areas of the financial statements and for some disclosure items e.g. transactions and other financial arrangements with trustees and their connected persons.

When considering the impact of misstatements discovered during the course of our audit and considering the implications for our report of such misstatements, we will refer to this level amongst other things. Whether a misstatement is 'material' or not is ultimately down to the auditor's judgement.

13. Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you dated 14 August 2023 confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

14. Current developments

We have attached a summary of other recent and ongoing developments as Appendix A to this report. The matters included in this appendix may not all be directly relevant to the charity. However, we are aware that trustees may be involved with more than one organisation, and therefore we have included items for general information.

15. Updates, insights and seminars

As part of our commitment to the charity sector, during the year the Charity Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of your charity to our seminars or to add trustees and management to our email distribution lists if this would be welcome. News and Insights are also available on our website at [News and insights \(buzzacott.co.uk\)](https://buzzacott.co.uk/news-and-insights), where there is also an opportunity to sign up to our mailing list should you wish.

16. Conclusion

This letter has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. Any recommendations contained herein are based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this letter. Should the facts provided to us be incorrect or incomplete, or should they change, our recommendations may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this letter.

If you require any further information or assistance, we shall be very pleased to help you.

Yours faithfully



12 December 2023

Trustees' Annual Report and Accounts

Financial Reporting Exposure Draft (FRED) 82

The Financial Reporting Council ('FRC') is currently undertaking its second triennial review of Financial Reporting Standard 102 (FRS 102), the underlying accounting framework under which the charity prepares its accounts. During 2023, the FRC released FRED 82, which outlined the proposed revisions to the next edition of FRS 102 and the consultation period closed on 30 April 2023. The FRC is currently considering the responses to this, and we expect a final version to be released in early 2024.

For more information please visit:

<https://www.frc.org.uk/getattachment/e7cf66c5-7f1b-45b1-8620-2bd754f6c97f/20221215-FRED-82-At-a-glance.pdf>

Development of new Charity Statement of Recommended Practice (SORP)

An exposure draft of the new SORP is expected in late 2023, with implementation expected for accounting periods commencing on or after 1 January 2025. Briefings on 15 topics with proposed changes that have been considered by the SORP Committee are available at: <https://charitysorp.org/engage-briefings-to-inform-the-engagement-process-in-developing-the-next-sorp>

Sustainability and reporting

Whilst many companies and organisations are including sustainability and climate change-related information in their annual reports, only the largest private and listed companies are required to provide such information. This disclosed information is not yet subject to any independent 'checking' which has resulted in the 'greenwashing' claims about some unverified information contained in annual reports.

June 2023 saw the issue of the first two international sustainability reporting standards aimed at improving trust and confidence in company disclosures about sustainability and climate change. The two IFRS Sustainability Disclosure Standards are internationally effective from 1 January 2024 although they have not yet been adopted by UK standard setters. However, it is likely that compliance will become mandatory in the near future. To begin with, the obligation may only be for large companies but, the 'trickle down' process is likely to require many organisations to ensure that they can provide adequate information to others in their supply chain who have the reporting obligation. As is usually the way, the reporting obligation will ultimately be extended to smaller and not-for-profit entities.

In anticipation of the above, it is advisable to start discussions around sustainability reporting and data early and more information can be found at: <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/>.

Charity Commission guidance on cost of living pressures

The Charity Commission has published guidance on managing financial difficulties as a result of the cost of living crisis covering key topics regarding trustee duty and decision-making, practical tips on what to do in situations where charities are in financial difficulty, what to do if the charity cannot continue to operate and a reminder on reporting serious incidents.

The detailed guidance can be seen at: <https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-arising-from-cost-of-living-pressure>

Additional questions on Charity Annual Returns

The questions posed in the Charity Commission's Annual Return have been updated for financial years starting on or after 1 January 2023. The most significant changes relate to smaller charities where, depending on the level of income, the number of responses required may be reduced. Narrative changes to some questions have been made to improve clarity and improvements in the glossary and guidance have also been made to help charities answer questions quickly and accurately.

The detailed list of questions can be found at Appendix 8 at the following link:

<https://www.gov.uk/government/consultations/charity-commission-revisions-to-the-annual-return-2023-25>

Guidance on internal controls

The government has updated their guidance (CC8) on internal financial controls for charities. The revised guidance includes updates on digital payment systems, fraud and cybercrime. The Charity Commission's internal control checklist, a tool available for trustees and charity management to check controls against the latest legal requirements has also been updated to reflect the latest guidance. The Charity Commission recommends that internal financial controls should be reviewed at least once a year. The updated guidance and checklist can be found at Internal financial controls for charities at <https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8>

Trustee Quiz

The Charity Commission has released a new Trustee Quiz to enable trustees to test their knowledge of their roles and responsibilities. It is aimed to engage trustees with questions based on everyday scenarios in a bid to identify any knowledge gaps and to act as a refresher for all trustees. The quiz takes three minutes to complete with feedback provided for each question and a score out of 10.

The quiz can be found at: <https://beingacharitytrustee.campaign.gov.uk/take-the-trustee-quiz/>

UK employment law

A number of employment law regulatory changes have taken place in recent months including increases in statutory sick pay, updated redundancy pay calculations and national minimum wage increases which can impact organisations and their HR processes and documentation. The following insight provides detailed commentary on the changes and information on how Buzzacott can support: <https://www.buzzacott.co.uk/insights/an-update-on-uk-employment-law-2023>

Compliance

Safeguarding

The Charity Commission has published a guide on the responsibilities for charities and trustees to keep everyone safe including staff, volunteers, and beneficiaries. Trustees must ensure their charity identifies and manages risks, have safeguarding policies and practices in place, carry out relevant checks (e.g. DBS), protect volunteers and staff, and have procedures to handle and report incidents appropriately.

A detailed overview of safeguarding in charities, and how to implement the above action points can be found at: <https://www.gov.uk/guidance/safeguarding-for-charities-and-trustees>

Tax

Charity tax returns – why are they so important?

Whilst it is not compulsory for charities to file a tax return, HMRC is able to perform random checks on charities to ensure exemptions are being claimed correctly. There is no blanket exemption on income generated by a charity because of their charitable status. If a charity receives income that does not fall under the available exemptions, then the profit element of the income will be subject to tax. The main forms of exempt charitable income are:

- Donations and legacies;
- Trading income, where this derives from activities in furtherance of or ancillary to the charity's objectives, or activities carried out by the charity's beneficiaries; and
- Certain investment and property income.
- If there is non-charitable trading income that does not fall under the above exemptions, the small-scale taxable trades exemption can be applied whereby a tax liability will not be applied if the non-charitable trading income is less than 25% of the charity's total income, subject to a cap of £80,000. If £80,000 is breached, the total non-charitable trading income will be taxable. Further information can be found at: <https://www.buzzacott.co.uk/insights/charity-tax-returns-why-are-they-so-important>