

Imam Ali Foundation

Unaudited Financial Statements

30 June 2022

Al-Mahari & Co

The Wimbledon Arches
1 The Archway Close
London
SW19 8UL

Imam Ali Foundation

Financial Statements

Year ended 30 June 2022

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	4
Statement of financial activities	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8

Imam Ali Foundation

Trustees' Annual Report

Year ended 30 June 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 30 June 2022.

Reference and administrative details

Registered charity name	Imam Ali Foundation
Charity registration number	1172217
Principal office	65 Bronsesbury Park London NW6 7AX

The trustees

Mr M Alkhabaz
Dr S Bakir
Syed M Rizvi
Mr A Jabbar
Mr A Amin
Mr A Riyadh
Mr M Amer
Dr H Mamdani

Independent Examiner	Salam Hasan Al-Mahari & Co The Wimbledon Arches 1 The Archway Close London SW19 8UL
-----------------------------	--

Structure, governance and management

Governing document

The organisation is registered as a charity on 23 March 2017 and governed by its constitution.

Organisational Structure

Imam Ali Foundation has a Management Committee of 6 trustees who meet quarterly and are responsible for the strategic direction and policy of the charity.

Risk Management

The Management Committee has conducted a review of the major risks to which the charity is exposed to and continues to monitor this on an ongoing basis. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Imam Ali Foundation

Trustees' Annual Report *(continued)*

Year ended 30 June 2022

Objectives and activities

The objects of the Charity are for the public benefit:

A) the advancement of education and religion with particular emphasis on religious studies and Islam, in accordance with the creeds of Ithna Ashari Shia Muslim faith.

B) the relief of poverty, sickness and distress, in particular amongst people who practice the Islamic faith in accordance with the creeds of Ithna Ashari Shia Muslim faith;

C) the provision of facilities, for the public and in particular for those members of the public who practice the Islamic faith in accordance with the creeds of Ithna Ashari Shia Muslim faith ("the beneficiaries") in the interests of social welfare and with the object of improving conditions of life of the beneficiaries.

Achievements and performance

The charity fulfilled its objectives of relieving poverty, promoting education and providing facilities for the Muslims to practice the Islamic faith across the UK, with centres operating in London, Birmingham, Cardiff and Hull.

Financial review

The trustees were satisfied with the financial position of the charity, with sufficient reserves held by the charity to continue its work towards its objectives in the future.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

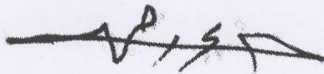
Imam Ali Foundation

Trustees' Annual Report *(continued)*

Year ended 30 June 2022

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

The trustees' annual report was approved on 24 April 2023 and signed on behalf of the board of trustees by:



Syed M Rizvi
Trustee

Imam Ali Foundation

Independent Examiner's Report to the Trustees of Imam Ali Foundation

Year ended 30 June 2022

I report to the trustees on my examination of the financial statements of Imam Ali Foundation ('the charity') for the year ended 30 June 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

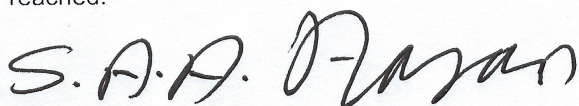
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Salam Hasan
Al-Mahari & Co
Independent Examiner

The Wimbledon Arches
1 Archway Close
London
SW19 8UL

Imam Ali Foundation

Statement of Financial Activities

Year ended 30 June 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	80,373	590,733	671,106	549,392
Investment income	5	19,354	—	19,354	20,954
Total income		<u>99,727</u>	<u>590,733</u>	<u>690,460</u>	<u>570,346</u>
Expenditure					
Expenditure on charitable activities	6,7	350,813	1,584,133	1,934,946	486,623
Total expenditure		<u>350,813</u>	<u>1,584,133</u>	<u>1,934,946</u>	<u>486,623</u>
Net gains on investments	9	—	—	—	(298,500)
Net (expenditure)/income and net movement in funds		<u>(251,086)</u>	<u>(993,400)</u>	<u>(1,244,486)</u>	<u>382,223</u>
Reconciliation of funds					
Total funds brought forward		3,444,370	993,400	4,437,770	4,055,546
Total funds carried forward		<u>3,193,284</u>	<u>—</u>	<u>3,193,284</u>	<u>4,437,770</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 8 to 15 form part of these financial statements.

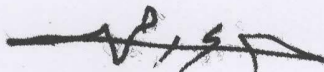
Imam Ali Foundation

Statement of Financial Position

30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	14	2,505,146	2,506,534
Current assets			
Debtors	15	84,051	191,618
Cash at bank and in hand		612,887	1,814,391
		696,938	2,006,009
Creditors: amounts falling due within one year	16	8,800	74,774
Net current assets		688,138	1,931,235
Total assets less current liabilities		3,193,284	4,437,769
Net assets		3,193,284	4,437,769
Funds of the charity			
Restricted funds		—	993,400
Unrestricted funds		3,193,284	3,444,370
Total charity funds	17	3,193,284	4,437,770

These financial statements were approved by the board of trustees and authorised for issue on 24 April 2023, and are signed on behalf of the board by:



Syed M Rizvi
Trustee

The notes on pages 8 to 15 form part of these financial statements.

Imam Ali Foundation

Statement of Cash Flows

Year ended 30 June 2022

	2022 £	2021 £
Cash flows from operating activities		
Net (expenditure)/income	(1,244,486)	382,223
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	1,388	2,686
Net gains on investments	—	(298,500)
Dividends, interest and rents from investments	(19,200)	(20,800)
Other interest receivable and similar income	(154)	(154)
Interest payable and similar charges	1,059	648
Accrued expenses/(income)	4,000	(4,800)
<i>Changes in:</i>		
Trade and other debtors	107,567	(2,975)
Trade and other creditors	(69,974)	68,501
Cash generated from operations	(1,219,800)	126,829
Interest paid	(1,059)	(648)
Interest received	154	154
Net cash (used in)/from operating activities	(1,220,705)	126,335
Cash flows from investing activities		
Dividends, interest and rents from investments	19,200	20,800
Purchase of tangible assets	—	(585)
Proceeds from sale of tangible assets	—	231,500
Proceeds from sale of other investments	—	298,500
Net cash from investing activities	19,200	550,215
Net (decrease)/increase in cash and cash equivalents	(1,201,505)	676,550
Cash and cash equivalents at beginning of year	1,814,391	1,137,841
Cash and cash equivalents at end of year	612,886	1,814,391

The notes on pages 8 to 15 form part of these financial statements.

Imam Ali Foundation

Notes to the Financial Statements

Year ended 30 June 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 65 Brondesbury Park, London, NW6 7AX.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Imam Ali Foundation

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Imam Ali Foundation

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% Straight line
Equipment	- 25% Straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Imam Ali Foundation

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	80,373	–	80,373
Fitra	–	4,127	4,127
Khums	–	548,556	548,556
Orphans / poor	–	650	650
Qurabani	–	410	410
Sadqa	–	33,789	33,789
Fidya / Kaffara	–	2,619	2,619
Zakat	–	582	582
Grants			
Grants receivable	–	–	–
	<u>80,373</u>	<u>590,733</u>	<u>671,106</u>

Imam Ali Foundation

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	17,074	–	17,074
Fitra	–	3,965	3,965
Khums	–	495,774	495,774
Orphans / poor	–	2,457	2,457
Qurabani	–	623	623
Sadqa	–	23,665	23,665
Fidya / Kaffara	–	2,149	2,149
Zakat	–	2,775	2,775
Grants			
Grants receivable	910	–	910
	<u>17,984</u>	<u>531,408</u>	<u>549,392</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Income from investment properties	19,200	19,200	20,800	20,800
Bank interest receivable	154	154	154	154
	<u>19,354</u>	<u>19,354</u>	<u>20,954</u>	<u>20,954</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Charitable activities	238,418	1,584,133	1,822,551
Support costs	112,395	–	112,395
	<u>350,813</u>	<u>1,584,133</u>	<u>1,934,946</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Charitable activities	–	356,463	356,463
Support costs	130,159	–	130,160
	<u>130,159</u>	<u>356,463</u>	<u>486,623</u>

Imam Ali Foundation

Notes to the Financial Statements (continued)

Year ended 30 June 2022

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Charitable activities	1,822,551	107,532	1,930,083	480,957
Governance costs	–	4,863	4,863	5,666
	<u>1,822,551</u>	<u>112,395</u>	<u>1,934,946</u>	<u>486,623</u>

8. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
Staff costs	35,462	35,462	45,237
Premises	33,749	33,749	35,090
Communications and IT	4,020	4,020	4,181
General office	9,955	9,955	8,861
Finance costs	1,059	1,059	648
Governance costs	4,864	4,864	5,664
Legal & professional costs	21,899	21,899	27,792
Depreciation	1,388	1,388	2,685
	<u>112,396</u>	<u>112,396</u>	<u>130,158</u>

9. Net gains on investments

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Gains/(losses) on investment property	–	–	298,500	298,500

10. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>1,388</u>	<u>2,686</u>

11. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>500</u>	<u>–</u>

12. Staff costs

The average head count of employees during the year was 3 (2021: 4).

Imam Ali Foundation

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

12. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

13. Trustee remuneration and expenses

Syed M Rizvi was paid £14,300 (2021: £12,250) for lectures and tabligh work carried out during the year. No remuneration or other benefits from employment with the charity or a related entity were received by the other trustees

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 July 2021 and 30 June 2022	<u>2,503,823</u>	<u>838</u>	<u>9,905</u>	<u>2,514,566</u>
Depreciation				
At 1 July 2021	–	837	7,195	8,032
Charge for the year	–	–	1,388	1,388
At 30 June 2022	<u>–</u>	<u>837</u>	<u>8,583</u>	<u>9,420</u>
Carrying amount				
At 30 June 2022	<u>2,503,823</u>	<u>1</u>	<u>1,322</u>	<u>2,505,146</u>
At 30 June 2021	<u>2,503,823</u>	<u>1</u>	<u>2,710</u>	<u>2,506,534</u>

15. Debtors

	2022 £	2021 £
Other debtors	<u>84,051</u>	<u>191,618</u>

16. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	8,800	4,800
Social security and other taxes	–	1,472
Other creditors	–	68,502
	<u>8,800</u>	<u>74,774</u>

Imam Ali Foundation

Notes to the Financial Statements (continued)

Year ended 30 June 2022

17. Analysis of charitable funds

Unrestricted funds

	At 1 July 2021 £	Income £	Expenditure £	Gains and losses £	At 30 June 2022 £
General funds	3,444,370	99,727	(350,813)	—	3,193,284

	At 1 July 2020 £	Income £	Expenditure £	Gains and losses £	At 30 June 2021 £
General funds	3,237,091	38,938	(130,159)	298,500	3,444,370

Restricted funds

	At 1 July 2021 £	Income £	Expenditure £	Gains and losses £	At 30 June 2022 £
Restricted Funds	993,400	590,733	(1,584,133)	—	—

	At 1 July 2020 £	Income £	Expenditure £	Gains and losses £	At 30 June 2021 £
Restricted Funds	818,455	531,408	(356,463)	—	993,400

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	2,505,146	—	2,505,146
Current assets	696,938	—	696,938
Creditors less than 1 year	(8,800)	—	(8,800)
Net assets	3,193,284	—	3,193,284

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	2,506,534	—	2,506,534
Current assets	1,015,849	993,400	2,009,249
Creditors less than 1 year	(78,014)	—	(78,014)
Net assets	3,444,369	993,400	4,437,769

19. Analysis of changes in net debt

	At 1 Jul 2021 £	Cash flows £	At 30 Jun 2022 £
Cash at bank and in hand	1,814,391	(1,201,504)	612,887