

REGISTERED COMPANY NUMBER: 10585970 (England and Wales)
REGISTERED CHARITY NUMBER: 1181788

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

HINDAWI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

**HINDAWI FOUNDATION
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Page
Report of the Trustees	1 to 7
Independent Examiner's Report	8 to 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 to 24

HINDAWI FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 January 2021 to 31 December 2021. The trustees have adopted the provisions of *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Mission Statement

Translating into Arabic and publishing literary works (including scientific, learned, academic, other non-fiction and fictional works). Publishing or republishing literary works originally written in Arabic (including scientific, learned, academic, other non-fiction and fictional works). Making translated works and Arabic content freely digitally available.

The catalyst for the creation of the Hindawi Foundation was a UN Development Fund report, which stated: "For Arab societies, translation is a formidable challenge ... the number of books translated in the Arab world [per year] is one fifth of the number translated in Greece ... a marked shortage of translations of basic books on philosophy, literature, sociology, and the natural sciences is quite evident."¹

The Hindawi Foundation was created to meet that need. Although some progress has been made in the development of the book industry and in translation into Arabic in recent years, availability remains scarce, translation lacking and of an often inconsistent standard, and access to works which present new ideas or challenge perspectives in the Arabic-speaking world is problematic or prohibited.

The Foundation aims to transform the literary landscape of the Arabic-speaking communities around the globe by providing a permanent, online library of thought-provoking, interesting, and valued fiction and non-fiction works, which is freely available to any Arabic speaker with access to the internet.

Activities

The Foundation seeks to achieve its objectives through two avenues: the translation of literary works from English and other languages into Arabic and the re-publication and publication of Arabic works which align with the Foundation's criteria. English (and other) language acquisitions take the form of both works in copyright, for which the Foundation negotiates translation rights contracts, and works which have entered the public domain. Works are published primarily in e-book formats on the Foundation's website and app. The Foundation also prints a select number of titles in trade paperback format, which are made available for sale through retailers and at book fairs across the Middle East and North Africa region.

Objectives

The Trustees' objectives for 2021 included:

- Expanding and diversifying acquisitions
- Aiming to acquire well-known Arabic writers to raise the Foundation's profile
- Making well-known works more accessible to Arabic readers
- The progression of the Foundation's poetry project

¹ UN Development Programme, *Arab Fund for Economic and Social Development, Arab Human Development Report 2003*

HINDAWI FOUNDATION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The objective of expanding and diversifying acquisitions set for the reporting period seeks to make additional and more varied literary works available for publication, while the free digital publication of well-known Arabic writers and works aligns with the Charity's aim of publishing and making freely available original Arabic literary works.

Achievements and performance

In the 2021 calendar year, the Foundation made 54 newly translated books available and published 241 in the Arabic language. The Foundation's new publications in 2021 have enabled beneficiaries to have free access to hundreds of previously unpublished or unavailable works in Arabic that provide stimulating content and encourage the enjoyment of literature. Foreign acquisitions increased by 39% in the reporting period compared to the previous year and included a wider range of titles in the genres of psychology, philosophy and anthropology. The number of published Arabic books increased by 37.7% and included a greater number of children's titles and almost double the number of popular novels. Arabic acquisitions increased significantly from 136 titles to 999; a notable acquisition in 2021 was the complete works of the only Arab winner of the Nobel Prize for Literature to date, Naguib Mahfouz. These are now freely available to readers for the first time.

Access to the Hindawi Foundation's publications is of key benefit to Arabic speakers in volatile, insecure, or impoverished countries/regions where traditional routes of access to literature may well be impossible. The Foundation's website and app. enabled many Arabic speakers to access an online literature library of unique depth and breadth.

2021 also saw the launch of the Foundation's poetry programme. The Charity's *Hindawi Qasa'id* app. provides Arabic-language poems in audio and written form. A total of 690 poems were published in 2021. Beneficiaries can also access the entire poetry catalogue (in audio and written formats) via the Hindawi Foundation's website. It is an unparalleled collection of classic Arabic poetry which can be read and listened to for free.

Trustees' measures of project success include the number of words translated – which has increased annually since the creation of the Charity and totalled more than 3.5 million in 2021– and the total (Arabic) digital works published, which exceeded 9 million words in 2021.

The Trustees have had regard to the Charity Commission's guidance on public benefit.

FINANCIAL REVIEW & INVESTMENT POLICY

The Hindawi Foundation's income for the year was £7,665,085. Charitable expenditure totalled to £445,895. Purchase of rights for new acquisitions accounted for 87.4% of copyrights expenditure, with renewals of existing contracts totalling 12.6%.

The Hindawi Foundation received a significant (unrestricted) gift in 2021, which it is envisioned will support both the ongoing running costs of the Foundation, in addition to one-off projects from time to time, which may require additional funding. While the Charity will receive further funding over time and is actively diversifying funding sources, the Trustees' present assessment is that the funding received should cover the running costs of the Foundation for a number of years.

The Trustees resolved that the overall objective of the Hindawi Foundation's Investment Policy is to generate income to fund the Foundation's running costs, while strategically drawing down on the principle for the expansion of the Foundation's programmes to further the Charity's Objectives. The Hindawi Foundation has a long-term outlook, defined as 50 years plus to achieve its objectives.

HINDAWI FOUNDATION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Both capital and income may be used at any time for the furtherance of the Hindawi Foundation's aims and therefore the portfolio is to be managed on a total return basis. The Hindawi Foundation is permitted to make withdrawals from capital to supplement any income generated by the portfolio to meet the costs associated with running the Foundation and to finance specific projects, where necessary.² Investment performance to date has been reflective of more difficult market conditions since late 2021 and the investment objective of generating income to fund the Foundation's running costs is not currently being met.

The Charity's principal funding sources remain private donations. The funding received in 2021 supports the key Objectives of the charity by directly resourcing the Foundation's projects as well as covering associated administration costs and providing the potential for investment growth to generate income to fund running costs longer term.

The Charity's invested funds are held in an actively managed, medium risk multi-asset discretionary portfolio. The Trustees are not presently requiring investments to adhere to any specific social, environmental or ethical considerations.

At present, the Charity's policy is to maintain a minimum reserve for the continued maintenance of the Foundation's online publishing platforms, including funds to contribute to annual electronic book fees. Current reserves total £7,131,440. There are currently no restricted funds.

RISK MANAGEMENT STATEMENT

While the Hindawi Foundation operates within the recognised publishing sphere, the Trustees have identified a number of specific risks:

1. Restriction of publishing platforms

The most immediately severe risk to the Charity's ability to fulfil its stated Objectives is the external risk of a restriction of our publishing platforms, which would prevent beneficiaries from accessing our content. This is a Major risk and one which the Foundation has already had to navigate. The primary mitigation is to make every effort to ensure our content is a) visibly legal and b) politically and religiously neutral – within the bounds of the Charity's objectives of enabling access to knowledge. The Foundation also release all non-licensed works under a Creative Commons licence to enable wider access and use. The Charity is also, where possible, looking to establish relationships with government censorship bodies. While these efforts appear to have had a positive impact, restriction of our publishing platforms remains a Major risk.³

2. Adverse government policy

Adverse government policy in relation to the operation of foreign charities within the territory where the Charity's subsidiary is located presents a Moderate potential risk. Ensuring Trustees and senior management are aware of political developments within countries in which the Charity operates and ongoing monitoring of proposed legal and regulatory changes have been identified as the main mitigations. Continued strengthening of the Hindawi Foundation's brand – alongside openly publishing the Charity's aims and objectives, motivations, funding sources and Trustee and Staff details – may also reduce the likelihood of adverse government policy affecting the Foundation's work.

² For further details see the Charity's Investment Policy document, updated as of August 2021

³ The Risk Impact Descriptors used in this Annual Report are taken from *Charities and Risk Management* (CC26)

HINDAWI FOUNDATION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

3. Dependency on income sources

The Charity is presently in a strong funding position in the medium term and is actively diversifying its income sources. However, as Trustees have identified the long-term outlook of the Foundation as “50 years plus to achieve its objectives”, dependency on income sources presents a Moderate future risk to the Charity’s activities, if current project expenditure remains unchanged without an increase in income.⁴

PLANS FOR FUTURE PERIODS

The Charity’s plans for the future include:

- Significant increase in foreign acquisitions
- Broadened focus of Arabic acquisitions to include previously translated foreign works where rights have expired, but where renewed access to the works would be of benefit/interest to Arabic speakers
- Expansion of digital (Arabic) publications
- Redesign of the Charity’s publication platforms to improve engagement and ease of use

The Hindawi Foundation’s goal of inspiring a love of reading and enabling access to knowledge for Arabic speakers remains as relevant now as it was when the Charity was founded. Trustees’ perspective on the future direction of the Charity is that, while its core mission and project content are likely to remain unchanged in the immediate future, emerging technologies will present new ways for the Foundation to share content with beneficiaries, as well as enabling faster translation. As the size of the Foundation’s library grows, curation and recommendation will also become a more important part of the user experience. It is also envisioned that the wider publishing industry will grow increasingly comfortable with digital only publication, which will reduce the Charity’s foreign acquisition production costs and broaden the range of potentially acquirable titles. In the longer term, the Hindawi Foundation will also need to be prepared to evolve its project plans to respond to changes in the publishing environment in Arabic-speaking countries. Trustees intend to maintain a flexible outlook for how the Charity’s mission can be achieved, which in future may mean reimagining the role the Hindawi Foundation plays within the publishing sphere.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, the Articles of Association adopted on 12 December 2018, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006

Management and Organisational Structure

The Trustees guide the overall direction of the charity to ensure that activities align with the Foundation’s aims and objectives. Unless decisions are deemed to relate to long-term financial management, or relate to the Charity’s objectives, or staff have specifically requested Trustee input, then they are delegated to staff. Production and printing of titles is undertaken by the Hindawi for Print and Distribution (Cairo-registered company) which is a wholly owned subsidiary of Hindawi Foundation.

⁴ An assessment of the broader risks faced by the Charity can be found in the Charity’s full Risk Management Statement document, updated as of April 2022

HINDAWI FOUNDATION
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustee body seeks to utilise the Board's varied expertise and skills as part of internal improvement and training. Informal meetings to share expertise and are encouraged, while Charity staff assist with Trustee induction. The Charity's Chair of Trustees, in discussion with Charity staff, regularly assesses the capabilities of the Trustee body and recommends any training thought to be of value.

The Foundation does not have any formal benchmarking process for setting pay and remuneration. However, staff salary offers are broadly comparable to similar industry roles. At present, no employees have total benefits over £60k.

Recruitment and appointment of new trustees

The existing Trustees are responsible for the recruitment of new Trustees. Selection of new Trustees is a collaborative process with particular emphasis placed on individuals who will bring a different perspective, as well as relevant skills and experience to the board. Potential Trustees can be suggested by any existing Trustee and are then discussed internally, before a formal invitation is extended. Potential Trustees are given details of the Foundation's charitable aims and activities. If they agree, they are then proposed at the subsequent Trustees' meeting.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

10585970 (England and Wales)

Registered Charity number

1181788

Registered office

York House
41 Sheet Street
Windsor
Berkshire
SL4 1DD

Trustees

Dr Ahmed Hindawi
Dr Nagwa Abdelmottaleb
Mr Paul Peters
Dr Nadia Oweidat
Dr Andrew Kitchin
Dr Khaled Hroub
Mr Peter Golden (resigned 3 September 2021)

Senior management personnel

CEO: Dr Ahmed Hindawi

Banking services and investment advisors

Barclays Bank
Level 15
1 Churchill Place
London
E14 5HP

HINDAWI FOUNDATION
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor

FLB Accountants LLP
Chartered Accountants & Registered Auditors
250 Wharfedale Road
Winnersh Triangle
Berkshire
RG41 5TP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources 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 the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PUBLIC BENEFIT REQUIREMENT

The Trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission concerning the public benefit requirement.

HINDAWI FOUNDATION
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

DISCLOSURE OF INFORMATION TO AUDITOR

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by order of the board of trustees on 14/12/2022 | 05:20 PST
..... and signed on its behalf by:

DocuSigned by:

.....
F7P819CB8E7A433...
A A A Hindawi – Trustee

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF
HINDAWI FOUNDATION**

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HINDAWI FOUNDATION

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF
HINDAWI FOUNDATION**

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and FRS 102.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls by management. We did not identify any significant risks in respect of accounting estimates.

Our audit procedures to respond to management override risks included: sample testing on the posting of journals; reviewing accounting estimates for biases; and reading minutes of meetings of those charged with governance.

Our audit procedures to respond to revenue recognition risks included sample testing of income across the year to agree to supporting documentation, and reviewing income received either side of the year end to ensure this has been recognised correctly.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit.

There are inherent limitations in our audit procedures described above. The further removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance and misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF
HINDAWI FOUNDATION**

OTHER MATTERS

The financial statements of Hindawi Foundation for the year ending 31 December 2020 were unaudited.

USE OF REPORT

This report is made solely to the charitable company's Trustees, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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's Trustees, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BAF338C2606D4C1...

Daniel Faust (Senior Statutory Auditor)
For and on behalf of FLB Accountants LLP
Statutory Auditor
250 Wharfedale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TP

14/12/2022 | 14:03 GMT

.....

HINDAWI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
		Unrestricted	Unrestricted
		fund	fund
	Notes	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	7,653,837	142,643
Investment income	3	11,248	-
Total income		7,665,085	142,643
EXPENDITURE ON			
Raising funds	4	(5,773)	-
Charitable activities	5	(440,122)	(136,321)
Total expenditure		(445,895)	(136,321)
NET INCOME		7,219,190	6,322
(Losses)/gains on investments	11	(4,722)	-
NET INCOME/EXPENDITURE		7,214,468	6,322
NET MOVEMENT IN FUNDS		7,214,468	6,322
RECONCILIATION OF FUNDS			
Total funds brought forward		(83,028)	(89,350)
TOTAL FUNDS CARRIED FORWARD	16	7,131,440	(83,028)

All activities derive from continuing operations during the above two periods.

HINDAWI FOUNDATION
(REGISTERED NUMBER: 1181788)
BALANCE SHEET
AS AT 31 DECEMBER 2021

		2021	2020
		Unrestricted	Unrestricted
	Notes	fund	fund
		£	£
FIXED ASSETS			
Investments	11	6,444,670	55,854
CURRENT ASSETS			
Debtors	12	5,049	-
Cash at bank	13	837,292	10,756
		<u>842,341</u>	<u>10,756</u>
CREDITORS			
Amounts falling due within one year	14	<u>(155,571)</u>	<u>(149,638)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>686,770</u>	<u>(138,882)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,131,440</u>	<u>(83,028)</u>
NET ASSETS/(LIABILITIES)		<u>7,131,440</u>	<u>(83,028)</u>
FUNDS			
Unrestricted funds		<u>7,131,440</u>	<u>(83,028)</u>
Total Funds	16	<u>7,131,440</u>	<u>(83,028)</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on

14/12/2022 | 05:20 PST

..... and were signed on its behalf by:

DocuSigned by:

 F7F819CB3E7A433.....
 A A A Hindawi – Trustee

HINDAWI FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
		Unrestricted	Unrestricted
		fund	fund
	Notes	£	£
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Net cash provided by operating activities</i>	18	7,075,714	3,264
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest & rents from investments		11,248	-
Proceeds from sale of investments		217,602	-
Purchase of investments		(6,551,140)	-
Investment in subsidiary		(60,000)	-
<i>Net cash (used)/provided by investing activities</i>		(6,382,290)	-
Cash in cash and cash equivalents in the reporting period		693,424	3,264
Cash and cash equivalents at the beginning of the reporting period		10,756	7,895
Change in cash and cash equivalents due to exchange rate movements		133,112	403
Cash and cash equivalents at the end of the reporting period	13	837,292	10,756

All of the cash flows are derived from continuing operations during the above two periods.

HINDAWI FOUNDATION

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

1. ACCOUNTING POLICIES

General information

Hindawi Foundation is a private charitable company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Two of the trustees are liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The registered company number is 10585970 and the registered charity number is 1181788.

The registered office is York House, 41 Sheet Street, Windsor, Berkshire, SL4 1DD

Basis of preparing the 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The charity meets the definition of public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Functional and presentation currency

The Charity's functional and presentation currency is GBP.

Monetary amounts in these financial statements are rounded to the nearest £.

Exemption from preparing group accounts

The charity has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements on the grounds that it is a small sized group.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

HINDAWI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

It is the opinion of the trustees that due to the nature of the entity there are no assumptions or judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donation income is recognised when received.

Gift Aid receivable is recognised in income when there is a valid Gift Aid declaration and the donation has been received.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

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

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs incurred are apportioned across the charitable activities based on use of resource.

Governance costs

Governance costs include the costs attributable to the charity's compliance with constitutional and statutory requirements and have been included as support costs.

HINDAWI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the statement of financial position date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments in Subsidiaries

Investments in subsidiaries are included at cost less impairment value at the balance sheet date.

Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due.

Creditors

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. They are allocated to activities based on staff time.

HINDAWI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****Foreign Currencies**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the SOFA for the period.

Financial Instruments

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment. Impairment of financial assets: Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Donations and gifts	7,653,837	142,642
	7,653,837	142,642

3. INVESTMENT INCOME

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Interest receivable	9,636	-
Dividend income from listed investments	1,612	-
	11,248	-

HINDAWI FOUNDATION

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

4. EXPENDITURE ON RAISING FUNDS

By Fund

	Unrestricted fund £	Total 2021 £	Total 2020 £
Portfolio management fees	5,773	5,773	-

5. EXPENDITURE ON CHARITABLE ACTIVITIES

By Fund

	Unrestricted fund £	Total 2021 £	Total 2020 £
Translation and publication	440,122	440,122	136,321

By Activity

	Translation and publication £	Total 2021 £	Total 2020 £
Wages & Salaries	30,000	30,000	28,522
Employers National Insurance	2,922	2,922	2,768
Pension costs	900	900	864
Pension admin costs	396	396	396
Translation expenses	188	188	2,415
Subscriptions	1,312	1,312	956
Copyrights	448,889	448,889	32,268
E-book fees	23,040	23,040	16,965
Web Hosting	30,605	30,605	30,925
Audio Book Fees	269	269	230
Royalties	-	-	419
Travel	-	-	409
Support costs	(118,660)	(118,660)	3,249
Governance costs	20,261	20,261	15,935
	440,122	440,122	136,321

HINDAWI FOUNDATION

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

6. ANALYSIS OF SUPPORT COSTS

	Charitable activities £	Total 2021 £	Total 2020 £	Basis of Allocation
Support costs				
Bank charges	1,654	1,654	1,162	Direct allocation
Foreign exchange (gains)/losses	(121,667)	(121,667)	1,826	Direct allocation
Telephone & internet	218	218	261	Direct allocation
Insurance	1,116	1,116	-	Direct allocation
Medical fee	19	19	-	Direct allocation
	<u>(118,660)</u>	<u>(118,660)</u>	<u>3,249</u>	
Governance costs				
Audit & accountancy fees	12,821	12,821	10,751	Direct allocation
Legal fees	7,440	7,440	5,184	Direct allocation
	<u>20,261</u>	<u>20,261</u>	<u>15,935</u>	
Total	<u><u>(98,399)</u></u>	<u><u>(98,399)</u></u>	<u><u>19,184</u></u>	

7. TRUSTEES REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the period ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the period ended 31 December 2020.

8. STAFF COSTS

	2021 £	2020 £
Staff costs during the year were:		
Wages & Salaries	30,000	28,522
Employers National Insurance	2,922	2,768
Pension costs	900	864
	<u>33,822</u>	<u>32,154</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021	2020
Translation and publishing	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000 (2020: Nil)

The charity considers its key management personnel comprise the trustees. The total employee benefits of the key management personnel of the charity, including employer pension contributions, were £Nil (2021 - £Nil).

HINDAWI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****9. PENSION AND OTHER SCHEMES****Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £900 (2020: £864).

10. AUDITORS' REMUNERATION

	2021	2020
	£	£
Audit of the financial statements	9,000	-
All other non-audit services	3,821	10,751
	12,821	10,751

11. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Investments in subsidiary undertakings	115,854	55,854
Listed investments	6,328,816	-
	6,444,670	55,854

Investments in subsidiary undertakings

	Investments in subsidiary undertakings £
COST LESS IMPAIRMENT	
At 1 January 2021	55,854
Additions	60,000
At 31 December 2021	115,854
NET BOOK VALUE	
At 31 December 2021	115,854
At 31 December 2020	55,854

The company's investments at the balance sheet date in the share capital of companies include the following:

Hindawi For Print & Distribution

Registered office: Egypt
 Nature of Business: Print & Distribution
 Class of share: Ordinary
 % holding: 100%

	31 Dec 2021	31 Dec 2020
	£	£
Aggregate capital & reserves	142,644	76,625
Profit for the year	5,674	12,962

HINDAWI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****FIXED ASSET INVESTMENTS (continued)****Listed investments**

	Listed investments £
VALUATION	
Additions	6,551,140
Disposals	(217,602)
Revaluation	14,743
(Loss)/gain on foreign exchange	(19,465)
At 31 December 2021	<u>6,328,816</u>
NET BOOK VALUE	
At 31 December 2021	<u>6,328,816</u>
At 31 December 2020	-

All listed investments are carried at their fair value. These investments are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value.

12. DEBTORS

	2021 £	2020 £
Amounts owed by subsidiary undertakings	2,710	-
Prepayments	1,568	-
Accrued income	771	
	<u>5,049</u>	<u>-</u>

13. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash on hand	<u>837,292</u>	<u>10,756</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other loans due to related parties (see note 14)	130,000	130,000
Trade creditors	4,909	10,665
Social security and other taxes	758	765
Other creditors	168	168
Accrued expenses	19,736	8,040
	<u>155,571</u>	<u>149,638</u>

HINDAWI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****15. LOANS**

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Other loans due to related parties (see note 16)	<u>130,000</u>	<u>130,000</u>

16. MOVEMENT IN FUNDS

	At 1 Jan 21 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	At 31 Dec 21 £
Unrestricted funds					
General funds	<u>(83,028)</u>	<u>7,665,085</u>	<u>(445,895)</u>	<u>(4,722)</u>	<u>7,131,440</u>
Total Funds	<u>(83,028)</u>	<u>7,665,085</u>	<u>(445,895)</u>	<u>(4,722)</u>	<u>7,131,440</u>

Comparatives for movement in funds

	At 1 Jan 20 £	Incoming resources £	Resources expended £	At 31 Dec 20 £
Unrestricted funds				
General funds	<u>(89,350)</u>	<u>142,643</u>	<u>(136,321)</u>	<u>(83,028)</u>
Total Funds	<u>(89,350)</u>	<u>142,643</u>	<u>(136,321)</u>	<u>(83,028)</u>

17. RELATED PARTY DISCLOSURES

Included within creditors amounts falling due within one year are interest free loans repayable on demand, due to A A A Hindawi (Trustee), of £130,000. These loans were provided to the entity prior to its change in status from Community Interest Company to a Charity, limited by guarantee, on 12 December 2018.

A A A Hindawi confirmed his intention not to recall or demand repayment of the loans as at 31 December 2021, except that insofar as the funds of the charity permit repayment and that such repayment will not adversely affect the ability of the charity to carry on its operations for a minimum period of 12 months following the date of approval of the financial statements of the charity for the period ended 31 December 2021.

During the year the charity received total donations without conditions of £6,120,000 from its trustees (2020: £80,000)

HINDAWI FOUNDATION

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

18. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ending 31 Dec 2021 Unrestricted fund £	Year ending 31 Dec 2020 Unrestricted fund £
NET INCOME FOR THE REPORTING PERIOD	7,214,468	6,322
Adjustments for:		
(Gains)/losses on foreign exchange	(113,647)	403
(Gains)/losses on investments	(14,743)	-
Dividends, interest and rents from investments	(11,248)	-
(Increase)/decrease in debtors	(5,049)	-
Increase/(decrease) in creditors	5,933	(3,461)
Net cash provided by operating activities	7,075,714	3,264

19. ANALYSIS OF NET DEBT

	At 1 Jan 21 £	Cash Flows £	Foreign Exchange Movements £	At 31 Dec 21 £
Cash	10,756	693,424	133,112	837,292
Loans falling due within 1 year	(130,000)	-	-	(130,000)
Net Debt	(119,244)	693,424	133,112	707,292

20. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets measured at amortised cost		
Investments in subsidiaries	115,854	55,854
Amounts owed by subsidiary undertakings	2,710	-
Cash at bank	837,292	10,756
	955,856	66,610
Financial liabilities measured at amortised cost		
Other loans due to related parties	130,000	130,000
Trade creditors	4,909	10,665
Other creditors	168	168
Accruals	19,736	8,040
	154,813	148,873
Financial assets measured at fair value through income & expenditure		
Other investments	6,328,816	-