

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

HINDAWI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

**HINDAWI FOUNDATION
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FOR THE YEAR ENDED 31 DECEMBER 2022**

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HINDAWI FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 to 31 December 2022. 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 on the Foundation's website and apps. 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 2022 included:

- Increasing foreign acquisitions
- Expanding the output of Arabic language works
- Taking steps to vary the Foundation's income sources

The objective of increasing foreign acquisitions will make additional and more varied literary works available for publication, while expanding the output of Arabic language works aligns with the Charity's aim of making freely available original Arabic literary works, but at a greater scale. Efforts to vary the Foundation's income sources demonstrate the Trustees' consideration that the long-term outlook for the Foundation is that its work will continue to be needed for decades to come and therefore diversification of income is a sensible risk mitigation.

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 2022

Achievements and performance

In the 2022 calendar year, the Foundation made 54 translated books newly available and published 485 in the Arabic language. The Foundation's new publications in 2022 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 language acquisitions more than doubled in 2022, supplying in excess of 2.6 million words of copyrighted works for translation. Translated words totalled more than 3.5 million, with total (Arabic) digital works published exceeding 12 million. The Foundation's user base also expanded significantly in 2022, with more users accessing more books and literature than ever before. 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 apps. enabled many Arabic speakers to access an online literature library of unique depth and breadth.

In 2022, the Foundation also launched an individual giving platform on its website to enable the charity to receive regular and one-off donations.

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 £115,304 (2021: £7,665,085) Charitable expenditure totalled to £588,660 (2021: £445,895). Purchase of rights for new acquisitions accounted for 67.52% of copyrights expenditure, with renewals of existing contracts totalling 32.48%.

Running costs continue to be funded from the significant (unrestricted) gift received in 2021, which has subsequently been invested by Trustees. While the Charity will receive further funding over time and is actively diversifying funding sources, the Trustees' assessment remains 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.

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 The Charity's principal funding sources remain private donations.

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 £6,034,784. There are currently no restricted funds.

² For further details see the Charity's Investment Policy document

HINDAWI FOUNDATION
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

RISK MANAGEMENT STATEMENT

While the Hindawi Foundation operates within the recognised publishing sphere, the Trustees have identified a number of specific and ongoing 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.

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

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

⁴ An assessment of the broader risks faced by the Charity can be found in the Charity's full Risk Management Statement document

HINDAWI FOUNDATION
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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.

HINDAWI FOUNDATION
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Senior management personnel

CEO: Dr Ahmed Hindawi

Banking services and investment advisors

Barclays Bank
Level 15
1 Churchill Place
London
E14 5HP

Independent Examiner

FLB Audit LLP
Chartered Accountants & Registered Auditors
1010 Eskdale Road
Winnersh Triangle
Berkshire
RG41 5TS

HINDAWI FOUNDATION
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

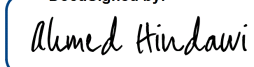
The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply 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.

26/9/2023 | 07:00 PDT

Approved by order of the board of trustees on and signed on its behalf by:

DocuSigned by:


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 Ahmed Hindawi – Trustee

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
HINDAWI FOUNDATION**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2022, which are set out on pages 8 to 21.

RESPONSIBILITIES AND BASIS OF REPORT

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S REPORT

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

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those accounting records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities

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.

DocuSigned by:

BAF338C2606D4C1...

Daniel Faust (FCCA)
FLB Audit LLP
1010 Eskdale Road
Winnersh Triangle
Berkshire
RG41 5TS

26/9/2023 | 17:16 BST

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HINDAWI FOUNDATION

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

		2022	2021
		Unrestricted	Unrestricted
		fund	fund
	Notes	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	38,443	7,653,837
Investment income	3	76,861	11,248
Total income		115,304	7,665,085
EXPENDITURE ON			
Raising funds	4	(32,514)	(5,773)
Charitable activities	5	(556,146)	(440,122)
Total expenditure		(588,660)	(445,895)
NET INCOME		(473,356)	7,219,190
(Losses)/gains on investments	11	(623,300)	(4,722)
NET INCOME/EXPENDITURE		(1,096,656)	7,214,468
NET MOVEMENT IN FUNDS		(1,096,656)	7,214,468
RECONCILIATION OF FUNDS			
Total funds brought forward		7,131,440	(83,028)
TOTAL FUNDS CARRIED FORWARD	16	6,034,784	7,131,440

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

HINDAWI FOUNDATION
(COMPANY NUMBER: 10585970)
BALANCE SHEET
AS AT 31 DECEMBER 2022

		2022	2021
		Unrestricted	Unrestricted
	Notes	fund	fund
		£	£
FIXED ASSETS			
Investments	11	6,182,906	6,444,670
CURRENT ASSETS			
Debtors	12	5,146	5,049
Cash at bank	13	215,192	837,292
		<u>220,338</u>	<u>842,341</u>
CREDITORS			
Amounts falling due within one year	14	<u>(368,460)</u>	<u>(155,571)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(148,122)</u>	<u>686,770</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,034,784</u>	<u>7,131,440</u>
NET ASSETS/(LIABILITIES)		<u>6,034,784</u>	<u>7,131,440</u>
FUNDS			
Unrestricted funds		<u>6,034,784</u>	<u>7,131,440</u>
Total Funds	16	<u>6,034,784</u>	<u>7,131,440</u>

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

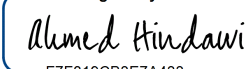
- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

26/9/2023 | 07:00 PDT

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

DocuSigned by:


 F7F819CB3E7A488.....
 Ahmed Hindawi – Trustee

HINDAWI FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
		Unrestricted	Unrestricted
		fund	fund
	Notes	£	£
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Net cash provided by operating activities</i>	18	(380,628)	7,075,714
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest & rents from investments		76,861	11,248
Proceeds from sale of investments		1,542,229	217,602
Purchase of investments		(1,461,983)	(6,551,140)
Investment in subsidiary		(441,782)	(60,000)
<i>Net cash (used)/provided by investing activities</i>		(284,675)	(6,382,290)
Change in cash and cash equivalents in the reporting period		(665,302)	693,424
Cash and cash equivalents at the beginning of the reporting period		837,292	10,756
Change in cash and cash equivalents due to exchange rate movements		43,202	133,112
Cash and cash equivalents at the end of the reporting period	13	215,192	837,292

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 2022

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 2022

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 2022****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 2022****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 2022 £	Unrestricted Funds 2021 £
Donations and gifts	38,443	7,653,837
	38,443	7,653,837

3. INVESTMENT INCOME

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Interest receivable	44,225	9,636
Dividend income from listed investments	32,636	1,612
	76,861	11,248

HINDAWI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. EXPENDITURE ON RAISING FUNDS

By Fund

	Unrestricted fund	Total 2022	Total 2021
	£	£	£
Portfolio management fees	32,514	32,514	5,773

5. EXPENDITURE ON CHARITABLE ACTIVITIES

By Fund

	Unrestricted fund	Total 2022	Total 2021
	£	£	£
Translation and publication	556,146	556,146	440,122

By Activity

	Translation and publication	Total 2022	Total 2021
	£	£	£
Wages & Salaries	29,042	29,042	30,000
Employers National Insurance	2,905	2,905	2,922
Pension costs	871	871	900
Pension admin costs	396	396	396
Translation expenses	14,851	14,851	188
Translation & Publication & Technology	82,227	82,227	-
Subscriptions	2,005	2,005	1,312
Copyrights	352,604	352,604	448,889
E-book fees	27,301	27,301	23,040
Web Hosting	31,594	31,594	30,605
Audio Book Fees	652	652	269
Freelance Developers	5,305	5,305	-
Printing Expense	6,408	6,408	-
Book Fair Expense	263	263	-
Graphic Fees	333	333	-
Advertising	740	740	-
Support costs	(17,204)	(17,204)	(118,600)
Governance costs	15,853	15,853	20,261
	556,146	556,146	440,122

HINDAWI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. ANALYSIS OF SUPPORT COSTS

	Charitable activities £	Total 2022 £	Total 2021 £	Basis of Allocation
Support costs				
Bank charges	2,103	2,103	1,654	Direct allocation
Foreign exchange (gains)/losses	(22,232)	(22,232)	(121,667)	Direct allocation
Telephone & internet	216	216	218	Direct allocation
Insurance	2,710	2,710	1,116	Direct allocation
Medical fee	-	-	19	Direct allocation
	<u>(17,204)</u>	<u>(17,204)</u>	<u>(118,660)</u>	
Governance costs				
Audit & accountancy fees	10,046	10,046	12,821	Direct allocation
Legal fees	5,807	5,807	7,440	Direct allocation
	<u>15,853</u>	<u>15,853</u>	<u>20,261</u>	
Total	<u><u>(1,351)</u></u>	<u><u>(1,351)</u></u>	<u><u>(98,399)</u></u>	

7. TRUSTEES REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the period ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the period ended 31 December 2021.

8. STAFF COSTS

	2022 £	2021 £
Staff costs during the year were:		
Wages & Salaries	29,042	30,000
Employers National Insurance	2,905	2,922
Pension costs	871	900
	<u>32,818</u>	<u>33,822</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:

	2022	2021
Translation and publishing	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000 (2021: 0)

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 2022****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 £871 (2021: £900).

10. INDEPENDENT EXAMINER'S REMUNERATION

	2022	2021
	£	£
Independent examination of the financial statements	5,000	-
Audit of the financial statements	-	9,000
All other non-audit services	5,046	3,821
	10,046	12,821

11. FIXED ASSET INVESTMENTS

	2022	2021
	£	£
Investments in subsidiary undertakings	557,636	115,854
Listed investments	5,625,270	6,328,816
	6,182,906	6,444,670

Investments in subsidiary undertakings

	Investments in subsidiary undertakings £
COST LESS IMPAIRMENT	
At 1 January 2022	115,854
Additions	441,782
At 31 December 2022	557,636
NET BOOK VALUE	
At 31 December 2022	557,636
At 31 December 2021	115,854

HINDAWI FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****FIXED ASSET INVESTMENTS (continued)**

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 2022	31 Dec 2021
	£	£
Aggregate capital & reserves	134,962	142,644
Profit for the year	21,307	5,674

Hindawi Technologies

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

	31 Dec 2022	31 Dec 2021
	£	£
Aggregate capital & reserves	441,516	-
Profit for the year	1,805	-

Listed investments

	Listed investments £
VALUATION	
Brought forward	6,328,816
Additions	1,461,983
Disposals	(1,542,229)
Revaluation	(1,421,082)
(Loss)/gain on foreign exchange	798,782
At 31 December 2022	5,625,270
NET BOOK VALUE	
At 31 December 2022	5,625,270
At 31 December 2021	6,328,816

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.

HINDAWI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. DEBTORS

	2022	2021
	£	£
Amounts owed by subsidiary undertakings	2,714	2,710
Prepayments	1,598	1,568
Accrued income	834	771
	<u>5,146</u>	<u>5,049</u>

13. CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Cash on hand	<u>215,192</u>	<u>837,292</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other loans due to related parties	130,000	130,000
Trade creditors	134,706	4,909
Social security and other taxes	790	758
Other creditors	176	168
Accrued expenses	102,787	19,736
	<u>368,459</u>	<u>155,571</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Other loans due to related parties	<u>130,000</u>	<u>130,000</u>

16. MOVEMENT IN FUNDS

	At 1 Jan 22 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	At 31 Dec 22 £
Unrestricted funds					
General funds	7,131,440	115,304	(588,660)	(623,300)	6,034,784
Total Funds	<u>7,131,440</u>	<u>115,304</u>	<u>(588,660)</u>	<u>(623,300)</u>	<u>6,034,784</u>

HINDAWI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Comparatives for movement in funds

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

17. RELATED PARTY DISCLOSURES

Included within creditors amounts falling due within one year are interest free loans repayable on demand, due to Ahmed Hindawi (Trustee), of £130,000 (2021: £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.

This loan was forgiven post year end – see note 21 for further details.

During the year the charity received total donations without conditions of £Nil from its trustees (2021: £6,120,000)

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

	Year ending 31 Dec 2022 Unrestricted fund £	Year ending 31 Dec 2021 Unrestricted fund £
NET INCOME FOR THE REPORTING PERIOD	(1,096,657)	7,214,468
Adjustments for:		
(Gains)/losses on foreign exchange	(841,585)	(113,647)
(Gains)/losses on investments	1,421,685	(14,743)
Dividends, interest and rents from investments	(76,861)	(11,248)
(Increase)/decrease in debtors	(98)	(5,049)
Increase/(decrease) in creditors	212,888	5,933
Net cash provided by operating activities	(380,628)	7,075,714

HINDAWI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. ANALYSIS OF NET DEBT

	At 1 Jan 22 £	Cash Flows £	Foreign Exchange Movements £	At 31 Dec 22 £
Cash	837,292	(665,302)	43,202	215,192
Loans falling due within 1 year	(130,000)	-	-	(130,000)
Net Debt	707,292	(665,302)	43,202	85,192

20. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets measured at amortised cost		
Investments in subsidiaries	557,636	115,854
Amounts owed by subsidiary undertakings	2,714	2,710
Cash at bank	215,192	837,292
	776,262	955,856
Financial liabilities measured at amortised cost		
Other loans due to related parties	130,000	130,000
Trade creditors	134,706	4,909
Other creditors	176	168
Accruals	102,787	19,736
	367,670	154,813
Financial assets measured at fair value through income & expenditure		
Other investments	5,625,270	6,328,816

21. POST BALANCE SHEET EVENTS

Following the year end, Ahmed Hindawi waived the loan of £130,000 due from the charity.