

**REGISTERED CHARITY NUMBER: 1189918**

**REPORT OF THE TRUSTEES AND  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023  
FOR  
ISLAMIC AID CIO**

JR Accounts  
Chartered Certified Accountants &  
Registered Auditors  
164-166 High Road  
Ilford  
Essex  
IG1 1LL

**ISLAMIC AID CIO**  
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**FOR THE YEAR ENDED 30 JUNE 2023**

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**ISLAMIC AID CIO**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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The trustees present their report with the financial statements of the charity for the year ended 30 June 2023. 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 2019).

**Transformation from a Trust to a CIO**

Islamic Aid, founded in 1999, has a long history of helping those in poverty. As of 1 July 2022, Islamic Aid underwent a significant change by transforming from a trust to a charitable incorporated organisation (CIO). This wasn't just a technicality; it was a strategic move to improve the future effectiveness.

The CIO structure offers several advantages. It allows Islamic Aid to adapt to new needs and opportunities more easily. It also strengthens their governance by ensuring clear and accountable management of their resources. Finally, becoming a CIO helps secure Islamic Aid's long-term sustainability, ensuring its mission can continue for generations to come.

Overall, this change is more than just a formality. It signifies Islamic Aid's renewed commitment to fighting poverty. The new CIO structure gives them the tools they need to navigate the complexities of global poverty reduction and face future challenges with greater agility and resilience.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

Islamic Aid continues to focus in the area of education, healthcare, livelihoods and emergency relief. Islamic Aid's strategic geographical focus remains Pakistan, India, Sri Lanka, Bangladesh. Islamic Aid also responds to emergencies wherever they occur. Our work continues to grow and new partnerships are developed.

**Significant activities**

Our vision - for change:

Islamic Aid seeks a world where poverty and suffering have been overcome and people live with dignity.

Our mission - what we do:

Our mission is to make immediate and lasting improvements to the lives of people affected by poverty, war and disaster.

In this mission, our work for the alleviation of poverty is carried out through seven complementary activities:

Healthcare: helping improve access to the quality of healthcare;

Education: helping improve access to the quality of learning;

Livelihoods: promoting income generation at household level to improve economic wellbeing;

Emergency relief: provision of food, water, medicines and shelter in times of crisis;

Qurbani and Aqiqah: helping people celebrate these festivals;

Children and women: improving their welfare;

Water & sanitation: improving access to clean water and improve sanitation.

Our values:

Equality: we believe the lives of all human beings are of equal value.

Respect: we affirm the dignity, potential and contribution of participants, donors, partners, staff and volunteers.

Integrity: we act consistently with our mission, being honest and transparent in what we do and say.

Partnerships: we work together effectively to serve the larger community.

Quality: we constantly challenge ourselves to the highest levels of learning and performance to achieve greater impact.

**Public benefit**

The charity meets the definition of a public benefit entity under FRS2.

## ISLAMIC AID CIO

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

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#### Achievement and performance

##### Charitable activities

###### Review of financial performance

Our overall objectives in relation to fundraising was to maximise the amount of voluntary income raised and to ensure that we did so at a reasonable cost : income ratio. Our income for the year was £4,330,369. Our direct charitable expenditure during the year was £1,651,975.

###### Islamic Aid Embraces Strategic Shift

Islamic Aid is embarking on a new chapter in its fight against poverty. While acknowledging the success of the past model of working with numerous local smaller partners, the trustees have identified a strategic shift to maximise impact.

Islamic Aid is prioritising collaboration with established international and UK-based charities. This strategic shift offers a powerful advantage. Partnering with these organisations leverages their existing infrastructure and expertise, ensuring aid reaches those most in need efficiently. Furthermore, it eliminates the challenge of thinly spreading Islamic Aid's resources across numerous local partners. Previously, this approach made effective due diligence and monitoring of those partners a significant hurdle. By focusing on fewer, well-established partners, Islamic Aid can ensure a more streamlined and impactful approach to development.

As a testament to our new focus on strategic partnerships, a prime example is the £500,000 allocated in 2021 for Syrian refugees in Jordan. These Zakat funds were channelled through UNHCR's robust cash grant system, with their zero-admin costs. This collaboration proved highly successful for the trustees - not only did it deliver critical aid efficiently and cost-effectively, but it also eliminated the potential risks associated with managing numerous smaller local partners. This success story exemplifies the value we place on strategic collaboration and paves the way for exploring further impactful partnerships in the future.

Furthermore, the focus will also be towards large-scale infrastructure projects alongside governments. These projects, encompassing hospitals and educational institutions, aim to improve the quality of services for a broader population segment. Recognising the challenges of beneficiary overload and resource constraints, Islamic Aid will ensure direct involvement in building and maintaining these facilities, eliminating concerns about fund mismanagement.

As an example of our new strategic focus on collaboration with governments, Islamic Aid is in discussions for partnering with the University of Child Health Sciences (UCHS), a government institution overseeing the world's second-largest paediatric facility - the Children's Hospital Lahore. This massive facility treats 1.3 million children annually despite limited resources (Rs. 7 billion). This three-pronged collaboration aims to transform paediatric healthcare in Pakistan. Prong 1 focuses on establishing UCHS as a centre of excellence, Prong 2 strengthens the Children's Hospital infrastructure, and Prong 3 ensures long-term sustainability. By working together, we hope to address the critical shortage of paediatric professionals, modernise facilities, and ultimately create a brighter future for Pakistan's children.

###### Renewed Commitment, Refined Approach

The trustees are pleased with the initial year's progress, confirming the organisation's effectiveness in poverty alleviation. Looking ahead, Islamic Aid plans to invest heavily in long-term development projects within a select group of countries. This focus, coupled with continued disaster relief efforts, reflects their unwavering commitment to creating lasting positive change.

###### Public Benefit

The management committee confirms that they have referred to the guidance on public benefit contained in the documents produced by the charity commission, when reviewing the aims and objectives of the charity and planning future activities.

**ISLAMIC AID CIO**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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External factors affecting Islamic Aid's work:

Islamic Aid, like other Muslim overseas aid charities, is currently operating in a very difficult international environment. At home, constant talk of Muslim charities and terrorism in the same breath in the media and political circles and a sensitive situation abroad continues to put immense pressure on such charities, especially on those in the early stages of their development.

The trustees have adopted a "safe & cautious strategy" in all areas of our work to protect the reputation and future work of the charity. We are extremely careful in selecting projects, partners, committee members, volunteers and staff and ensure that rigorous controls and systems are in place and all funds only move through official channels.

## **FINANCIAL REVIEW**

### **Reserves policy**

The trustees recognise the need to have reserves in place to ensure the continuation of our work in the event of an unforeseen downturn. Trustees are also conscious of the need to balance the necessity for reserves with our efforts for providing value for money and maximising the resources available for our programmes. To this end, we try to achieve reserves for at least twelve months of total annual budget.

The current level of unrestricted funds is £14,171,658. We also maintain endowment funds, to ensure that enough funds are available in the long term for the establishment and running of longer term development projects. The WAQAF (Endowment) funds total at the end of the current year was £3,000,000.

### **Going concern**

The trustees have reviewed the charity's financial position, reserves levels and future plans and consider that despite the tough operational circumstances, there are no foreseeable material uncertainties about the charity's ability to continue as going concern.

### **Investment in Zimrock Limited**

In the past, endowment funds were invested in term deposits. However, in recent years, returns on investments have been minimal. Therefore, trustees looked for other safe alternatives and after discussions with professionals, it was decided to invest these funds to create a property portfolio for better returns. For this purpose, a 100% owned trading subsidiary, Zimrock Limited (company number 13209945), was set up.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

This year marks a significant milestone for Islamic Aid. We transitioned from a trust to a charitable incorporated organisation (CIO). This new structure, outlined in our CIO constitution, strengthens our governance framework.

The CIO is governed by a dedicated board of trustees with expertise relevant to our mission. New trustees are appointed through a rigorous process, ensuring a diverse and qualified leadership team. Regular board meetings and committee structures, focused on specific areas like fundraising and programs, promote effective oversight and decision-making.

We are confident that the CIO framework positions Islamic Aid for continued success in alleviating poverty and delivering impactful programs around the world.

Office bearers are responsible for the day to day running of the charity and manage the staff and volunteers of the charity on behalf of the trustees.

**ISLAMIC AID CIO**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The major risks, to which Islamic Aid is exposed, are identified and reviewed by the trustees as part of the annual risk review process. Appropriate systems and procedures are in place to manage these risks and provide reasonable but not absolute assurance against occurrence.

The main risks identified, together with the methods adopted to manage them are summarised below:

**Governance risk:** The organisation needs to ensure that appropriate corporate governance structures and practices are in place, to reduce the risk of organisation failure and support the long-term survival and success of Islamic Aid. The board regularly reviews the policies and structure in order to ensure that they meet accepted good governance standards.

**Continuity of funding:** The organisation has no guaranteed income. If it is to continue its work, it is entirely dependent on the goodwill of the public. In order to reduce the risk of significant fluctuations in income the organisation aims to foster public commitment to the developing world and geographically diversify sources of income. It has also set aside a portion of its £3 million of reserves to reduce disruption in the event of a temporary fall in income.

**Effectiveness of expenditure:** Islamic Aid needs to be able to demonstrate that it is able to use resources effectively in order to achieve lasting results. Systems have been put in place to monitor work quality.

**Fraud or error:** Significant errors or fraud could severely damage the charity's reputation as well as resulting loss of resources. The charity has developed financial controls and reporting systems to mitigate this risk.

**IT security and continuity:** In common with many organisations, we are dependent on information which is stored electronically, the loss or damage of these systems would severely disrupt operations. We have developed detailed policies and procedures designed to counter this risk.

The board is however satisfied that systems are in place to monitor, manage, and mitigate exposure to major risks and all information is fully backed up and secured.

**Grant-making policy:**

Grant-making is governed strictly by partnership and funding agreements. Islamic Aid's decision to allocate funds is determined solely on the basis of need, the individual merit of each project and the ability of the partner organisation applying for the grant to deliver. All documentation, including the funding agreement is revised periodically to take into consideration changes in the law and the situation in Islamic Aid's areas of operation. Changes are made where necessary and local partners are required to complete and return a signed copy of the new agreement.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

1189918

**Registered office**

29 Church Hill  
London  
E17 3AB

## ISLAMIC AID CIO

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

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#### **Trustees**

M Hassan

M A A Khan (appointed 1.7.22)

A Raje

M Aamir

H Mahmood

S U R Ahmed

R Gul

#### **Auditors**

JR Accounts

Chartered Certified Accountants &

Registered Auditors

164-166 High Road

Ilford

Essex

IG1 1LL

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 charitable company will continue in business.

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

In so far as the trustees are aware:

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

**ISLAMIC AID CIO**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**AUDITORS**

The auditors, JR Accounts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, on 30 April 2024 and signed on the board's behalf by:



M Hassan - Trustee



## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ISLAMIC AID CIO

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### **Opinion**

We have audited the financial statements of Islamic Aid CIO (the 'parent charity') and its trading subsidiary (the 'group') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 June 2023 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 group'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.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

- The information given in the Report of the Trustee is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities statement, 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

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ISLAMIC AID CIO

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control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, data protection legislation, safeguarding, employment, and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ISLAMIC AID CIO

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

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions; and
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of the trustee meetings;
- Enquiring of management as to actual and potential litigations and claims; and
- Reviewing any available correspondence with the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### Use of our report

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



for and on behalf of JR Accounts  
Chartered Certified Accountants & Registered Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
164-166 High Road  
Ilford  
Essex  
IG1 1LL

30 April 2024

ISLAMIC AID CIO

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Unrestricted fund £	Endowment fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	2	19,564,365	-	19,564,365
Investment income	3	<u>116,465</u>	<u>-</u>	<u>116,465</u>
<b>Total</b>		<u>19,680,830</u>	<u>-</u>	<u>19,680,830</u>
<b>EXPENDITURE ON</b>				
<b>Raising funds</b>				
Raising donations and legacies	4	<u>642,938</u>	<u>-</u>	<u>642,938</u>
		642,938	-	642,938
<b>Charitable activities</b>				
Charitable activities	5	<u>1,866,234</u>	<u>-</u>	<u>1,866,234</u>
<b>Total</b>		<u>2,509,172</u>	<u>-</u>	<u>2,509,172</u>
<b>NET INCOME</b>				
Transfers between funds	18	<u>17,171,658</u> <u>(3,000,000)</u>	<u>-</u> <u>3,000,000</u>	<u>17,171,658</u> <u>-</u>
<b>Net movement in funds</b>		<u>14,171,658</u>	<u>3,000,000</u>	<u>17,171,658</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>14,171,658</u>	<u>3,000,000</u>	<u>17,171,658</u>

The notes form part of these financial statements

**ISLAMIC AID CIO**  
**BALANCE SHEET - GROUP**  
**30 JUNE 2023**

	Notes	Unrestricted fund £	Endowment fund £	Total funds £
<b>FIXED ASSETS</b>				
Tangible assets	11	4,947,165	-	4,947,165
<b>CURRENT ASSETS</b>				
Debtors	14	258,203	-	258,203
Cash at bank		<u>9,728,672</u>	<u>3,000,000</u>	<u>12,728,672</u>
		9,986,875	3,000,000	12,986,875
<b>CREDITORS</b>				
Amounts falling due within one year	16	(762,382)	-	(762,382)
<b>NET CURRENT ASSETS</b>		<u>9,224,493</u>	<u>3,000,000</u>	<u>12,224,493</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>14,171,658</u>	<u>3,000,000</u>	<u>17,171,658</u>
<b>NET ASSETS</b>		<u>14,201,398</u>	<u>3,000,000</u>	<u>17,201,398</u>
<b>FUNDS</b>	18			
Unrestricted funds				14,171,658
Endowment funds				<u>3,000,000</u>
<b>TOTAL FUNDS</b>				<u>17,171,658</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30 April 2024 and were signed on its behalf by:



M Hassan - Trustee



A Raje - Trustee

The notes form part of these financial statements

**ISLAMIC AID CIO**  
**BALANCE SHEET - CHARITY**  
**30 JUNE 2023**

	Notes	Unrestricted fund £	Endowment fund £	Total funds £
<b>FIXED ASSETS</b>				
Tangible assets	12	308,605	-	308,605
Investments	13	<u>10,000</u>	<u>-</u>	<u>10,000</u>
		318,605	-	318,605
<b>CURRENT ASSETS</b>				
Debtors	15	4,926,492	-	4,926,492
Cash at bank		<u>9,718,683</u>	<u>3,000,000</u>	<u>12,718,683</u>
		14,645,175	3,000,000	17,645,175
<b>CREDITORS</b>				
Amounts falling due within one year	17	<u>(762,382)</u>	<u>-</u>	<u>(762,382)</u>
<b>NET CURRENT ASSETS</b>		<u>13,882,793</u>	<u>3,000,000</u>	<u>16,882,793</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>14,201,398</u>	<u>3,000,000</u>	<u>17,201,398</u>
<b>NET ASSETS</b>		<u>14,201,398</u>	<u>3,000,000</u>	<u>17,201,398</u>
<b>FUNDS</b>	18			
Unrestricted funds				14,201,398
Endowment funds				<u>3,000,000</u>
<b>TOTAL FUNDS</b>				<u>17,201,398</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30 April 2024 and were signed on its behalf by:



M Hassan - Trustee



A Raje - Trustee

The notes form part of these financial statements

**ISLAMIC AID CIO**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2023**

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	Notes	£
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	<u>17,694,519</u>
Net cash provided by operating activities		<u>17,694,519</u>
 <b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets		(4,987,515)
Interest received		<u>21,668</u>
Net cash (used in)/provided by investing activities		<u>(4,965,847)</u>
		<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		12,728,672
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>-</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>12,728,672</u></u>

The notes form part of these financial statements

**ISLAMIC AID CIO**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2023**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	17,171,658
<b>Adjustments for:</b>	
Depreciation charges	40,350
Interest received	(21,668)
Increase in debtors	(258,203)
Increase in creditors	<u>762,382</u>
<b>Net cash provided by operations</b>	<u><u>17,694,519</u></u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.22 £	Cash flow £	At 30.6.23 £
<b>Net cash</b>			
Cash at bank	<u>-</u>	<u>12,728,672</u>	<u>12,728,672</u>
	<u>-</u>	<u>12,728,672</u>	<u>12,728,672</u>
<b>Total</b>	<u><u>-</u></u>	<u><u>12,728,672</u></u>	<u><u>12,728,672</u></u>

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

**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.

**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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold properties	- 2% on cost
Leasehold property	- Over the period of lease
Improvements to property	- 33% on cost
Fixtures and fittings	- 33% on cost

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**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.

**ISLAMIC AID CIO**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023**

**2. DONATIONS AND LEGACIES**

	£
Donations	3,440,165
Gift aid	773,739
Donated funds by charity	<u>15,350,461</u>
	<u>19,564,365</u>

**3. INVESTMENT INCOME**

	£
Rents received	94,797
Deposit account interest	<u>21,668</u>
	<u>116,465</u>

**4. RAISING DONATIONS AND LEGACIES**

	£
Advertising	<u>642,938</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Charitable activities	<u>1,651,975</u>	<u>214,259</u>	<u>1,866,234</u>

**6. GRANTS PAYABLE**

	£
Charitable activities	<u>1,651,975</u>
The total grants paid to institutions during the year was as follows:	
	£
Emergency relief and welfare	<u>1,651,975</u>

**ISLAMIC AID CIO**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023**

**7. SUPPORT COSTS**

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Charitable activities	<u>81,169</u>	<u>49,752</u>	<u>31,901</u>	<u>21,699</u>	<u>184,521</u>

**8. NET INCOME/(EXPENDITURE)**

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

Auditors' remuneration	£ 18,720
Depreciation - owned assets	<u>12,350</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

Trustees' salaries	£ <u>15,150</u>
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**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2023.

**10. STAFF COSTS**

Wages and salaries	£ 48,587
Other pension costs	<u>646</u>
	<u>49,233</u>

The average monthly number of employees during the year was as follows:

Management	<u>2</u>
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No employees received emoluments in excess of £60,000.

**ISLAMIC AID CIO**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023**

**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Improvements to property £	Fixtures and fittings £	Totals £
<b>COST</b>					
Additions	<u>4,666,560</u>	<u>302,027</u>	<u>15,541</u>	<u>3,387</u>	<u>4,987,515</u>
<b>DEPRECIATION</b>					
Charge for year	<u>28,000</u>	<u>6,041</u>	<u>5,180</u>	<u>1,129</u>	<u>40,350</u>
<b>NET BOOK VALUE</b>					
At 30 June 2023	<u>4,638,560</u>	<u>295,986</u>	<u>10,361</u>	<u>2,258</u>	<u>4,947,165</u>

**12. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Totals £
<b>COST</b>				
Additions	<u>302,027</u>	<u>15,541</u>	<u>3,387</u>	<u>320,955</u>
<b>DEPRECIATION</b>				
Charge for year	<u>6,041</u>	<u>5,180</u>	<u>1,129</u>	<u>12,350</u>
<b>NET BOOK VALUE</b>				
At 30 June 2023	<u>295,986</u>	<u>10,361</u>	<u>2,258</u>	<u>308,605</u>

**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>MARKET VALUE</b>	
Additions	<u>10,000</u>
<b>NET BOOK VALUE</b>	
At 30 June 2023	<u>10,000</u>

There were no investment assets outside the UK.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP**

	£
Other debtors	<u>258,203</u>
	<u>258,203</u>

ISLAMIC AID CIO

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - CHARITY

	£
Other debtors	258,203
Amount owed by subsidiary	<u>4,668,289</u>
	<u>4,926,492</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	£
Trade creditors	672,265
Credit cards	66,819
Pension liability	168
Accruals and deferred income	<u>23,130</u>
	<u>762,382</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - CHARITY

	£
Trade creditors	672,265
Credit cards	66,819
Pension liability	168
Accruals and deferred income	<u>23,130</u>
	<u>762,382</u>

18. MOVEMENT IN FUNDS

	Net movement in funds £	Transfers between funds £	At 30.6.23 £
<b>Unrestricted funds</b>			
General fund	17,171,658	(3,000,000)	14,171,658
<b>Endowment funds</b>			
Endowment (Waqf)	-	3,000,000	3,000,000
	<u>17,171,658</u>	<u>-</u>	<u>17,171,658</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	19,680,830	(2,509,172)	17,171,658
	<u>19,680,830</u>	<u>(2,509,172)</u>	<u>17,171,658</u>

**ISLAMIC AID CIO**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2023**

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**19. EMPLOYEE BENEFIT OBLIGATIONS**

The charity operates defined contribution pension scheme and the contribution paid during the year amounted to £646.

**20. CONTINGENT LIABILITIES**

The charity had no contingent liabilities as at 30th June 2023.

**21. CAPITAL COMMITMENTS**

The charity had no capital commitments as at 30th June 2023.

**22. RELATED PARTY DISCLOSURES**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

There were no related party transactions during the year, except the ones already disclosed.