

Charity registration number 1198619

Company registration number 13786504 (England and Wales)

AL-ZAKI

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

AL-ZAKI

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr J Jaffer Mrs N Jaffer Mrs S Jaffer
Charity number	1198619
Company number	13786504
Registered office	3 Hobbs House Harrovian Business Village Bessborough Road Harrow Middlesex HA1 3EX
Independent examiner	Mohamedkazim S Bhaloo, FCCA 3 Hobbs House Harrovian Business Village Bessborough Road Harrow Middlesex HA1 3EX

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE PERIOD ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the period ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "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).

Objectives and activities

The Charitable objects of the Charity are specifically restricted to:

1. The prevention and relief of poverty by:

- (A) Providing grants, items, goods and services to individuals in need and/or local charities or other organisations;
- (B) Providing or assisting in the provision of education, training, healthcare projects and all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient;
- (C) Advancing the availability of and access to clean drinking water and importance of sanitation and good hygiene practices for clean drinking water; and
- (D) Advancing sustainable and hygienic waste disposal and recycling

2. To advance the education of children, primarily, but not exclusively, in Pakistan, Tanzania, Kenya and Uganda by the provision of financial grants to help pay for education fees and provision of educational materials and resources for children whose families could not otherwise afford.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

The principal activity of the charity during the period was the provision of economic assistance for the prevention and relief of poverty.

Achievements and performance

The Charity was incorporated on 7 December 2021 in England & Wales and registered with the Charity Commission as a UK registered charity on 13 April 2022.

During the period the Charity gave economic assistance for the relief of poverty to UK appeals and campaigns, and also to those in need in Pakistan, Tanzania and Oman. The Trustees are satisfied with the achievements and performance of the Charity during the period.

Financial review

This is the first set of company and charity statutory financial statements. The results of the Charity's operations during the period are shown on the Statement of Financial Activities.

The Charity's principal activity for generating funds is through the collection of donations. The gross receipts of the Charity were £77,250. The Charity spent £26,802 in the furtherance of its charitable objectives and activities. All income funds are unrestricted funds. Total unrestricted funds at 31 December 2022 were £50,448 which are carried forward to the following year.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

Structure, governance and management

The Charity is a charitable company limited by guarantee incorporated on 7 December 2021. The Charity's governing document is its Memorandum and Articles of Association as amended by special resolution registered at Companies House on 11 April 2022, on registration as a UK registered charity and public benefit entity.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

The Trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

Dr J Jaffer	(Appointed 7 December 2021)
Mrs N Jaffer	(Appointed 7 December 2021)
Mrs S Jaffer	(Appointed 7 December 2021)

There shall be at least three and not more than six Trustees all of whom must meet the eligibility criteria set by the Trustees from time to time. Trustees are recruited and appointed by a quorum of the existing Trustees.

All of the Trustees are members of the charitable company, by virtue of their appointment as Trustees, and guarantee to contribute £1 in the event of a winding up.

The Trustees, as charity trustees and company directors, have general control and management of the administration of the Charity and its property and funds. Trustees receive no remuneration or benefits for their duties and services.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Al-Zaki for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the 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.

The Trustees' report was approved by the Board of Trustees.

Dr J Jaffer
Trustee

24 August 2023

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AL-ZAKI

I report to the Trustees on my examination of the financial statements of Al-Zaki (the Charity) for the period ended 31 December 2022.

Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity 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 the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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 that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

Mohamedkazim S Bhaloo, FCCA

3 Hobbs House
Harrovia Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

Dated: 24 August 2023

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £
<u>Income from:</u>		
Donations and legacies	3	77,250
		<hr/>
<u>Expenditure on:</u>		
Charitable activities	4	26,802
		<hr/>
Net income for the period/ Net movement in funds		50,448
Fund balances at 7 December 2021		-
		<hr/>
Fund balances at 31 December 2022		50,448
		<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£
Current assets			
Cash at bank and in hand		51,948	
Creditors: amounts falling due within one year	10	<u>(1,500)</u>	
Net current assets			<u>50,448</u>
Income funds			
Unrestricted funds			<u>50,448</u>
			<u>50,448</u>

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the charitable company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 24 August 2023

Dr J Jaffer
Trustee

Company registration number 13786504

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

1 Accounting policies

Charity information

Al-Zaki is a UK registered charity incorporated as a private company limited by guarantee incorporated in England and Wales. The registered office is 3 Hobbs House, Harrovian Business Village, Bessborough Road, Harrow, Middlesex, HA1 3EX.

1.1 Reporting period

The financial statements are for a period longer than one year since this is the first set of statutory financial statements of the Charity.

1.2 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity 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.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.5 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.8 Foreign exchange

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 in the period are included in the surplus or deficit for the period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds
	2022 £
Donations and gifts	77,250

4 Charitable activities

	Unrestricted funds
	2022 £
Grant funding of activities (see note 5)	25,165
Share of support costs (see note 6)	137
Share of governance costs (see note 6)	1,500
	26,802

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

5 Grants payable

	Unrestricted funds 2022 £
Grants to institutions:	
Pakistan Flood Relief	6,000
Hand on Heart Charity UK Winter Warmer Campaign	1,000
Grant to an Orphanage	2,450
Khoja Shia Ithna-Asheri Muslim Community of London	5,000
	<u>14,450</u>
Grants to individuals	10,715
	<u>25,165</u>

Grants paid to individuals comprises economic assistance for needy individuals for the relief of poverty, education support and medical assistance.

6 Support costs

	Support costs £	Governance costs £	2022 £
Bank charges	95	-	95
Sundry expenses	42	-	42
Independent examination fees	-	1,500	1,500
	<u>137</u>	<u>1,500</u>	<u>1,637</u>
Analysed between			
Charitable activities	<u>137</u>	<u>1,500</u>	<u>1,637</u>

Support costs are allocated based on the proportion of grants paid towards charitable activities during the period, except where directly attributable.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the period and no expenses were paid on their behalf.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

8 Employees

The average monthly number of employees during the period was:

	2022 Number
Total	-

The Trustees volunteer their services.

There were no employees whose annual remuneration was more than £60,000.

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Creditors: amounts falling due within one year

	2022 £
Accruals and deferred income	1,500

11 Related party transactions

During the period a company in which a Trustee is a director made a donation to the Charity of £72,000.