

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025  
FOR  
KOTHIA FOUNDATION**

Prestons & Jacksons Partnership LLP  
Statutory Auditors  
364 - 368 Cranbrook Road  
Ilford  
Essex  
IG2 6HY

# **KOTHIA FOUNDATION**

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# **KOTHIA FOUNDATION**

## **REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025**

The trustees present their report with the financial statements of the charity for the period 18 October 2023 to 31 March 2025. 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).

### **OBJECTIVES AND ACTIVITIES**

#### **Charitable purposes**

The Foundation's objects, as set out in its Constitution, are to further such charitable purposes (charitable under English law) as the trustees see fit from time to time for the public benefit, including by making grants to individuals or organisations furthering such charitable purposes.

#### **Main activities during the period**

The Foundation's main activities during the period were:

- Grant-making to delivery partners - providing core and project grants to selected organisations whose programmes align with the Foundation's charitable objects (for example, hardship relief, education, and community development).
- Partner selection and due diligence - reviewing the status, governance, safeguarding and financial controls of potential grantees, and agreeing clear grant conditions, including outcomes, reporting and use of funds.
- Monitoring and learning - receiving proportionate narrative and financial reports, holding review calls or visits where appropriate, and capturing key learning for future funding decisions.
- Asset and waqf development - investing in assets intended to support sustainable, longer-term income for charitable activity, in line with charity law and relevant Shariah principles.
- Conceptualisation of Yusuf Academy Ltd - establishing an educational subsidiary as a vehicle for structured learning and enrichment programmes. Yusuf Academy Ltd was incorporated on 1st July 2025.

# **KOTHIA FOUNDATION**

## **REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025**

### **OBJECTIVES AND ACTIVITIES**

#### **Public benefit**

The trustees confirm that they have had due regard to the Charity Commission's public benefit guidance when planning the Foundation's activities and in making decisions about the use of funds. In particular, they ensure that:

- grants and activities are clearly linked to the Foundation's charitable purposes;
- the benefits are to the public or a sufficient section of the public; and
- any private benefits are incidental and necessary to achieving the charitable aims.

#### **Who benefits and needs addressed**

Kothia Foundation advances public benefit by funding trusted partners that support people experiencing hardship and disadvantage in the UK and overseas. Beneficiaries include, for example:

- low-income families affected by the cost-of-living crisis;
- children and young people with limited access to quality education and enrichment; and
- vulnerable adults at risk of poverty, isolation or lack of basic services.

Support is open to all. Where appropriate, work is delivered in a way that is culturally and religiously sensitive, particularly when partnering with Muslim communities and institutions.



# KOTHIA FOUNDATION

## REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### ACHIEVEMENTS AND PERFORMANCE

#### Charitable activities

##### Overview of the period

This was the Foundation's first active period, moving from initial set-up into live grant-making and the early development of a waqf-style asset base. The trustees focused on building sound foundations in governance, finance and due diligence, while beginning to support practical projects on the ground.

##### Headline achievements:

- Supported thousands of beneficiaries through 34 projects and programmes.
- Partnered with 23 delivery organisations in the UK and overseas.
- Completed the acquisition of key property assets for long-term charitable use and income generation.
- Conducted monitoring visits and learning reviews to inform future strategy.
- We have begun to make steps in ensuring that the Wanstead site is ready for educational services to be provided by a subsidiary called Yusuf Academy.

##### Key projects supported:

During the period, Kothia Foundation has given grants to multiple charity partners across the world. These grants have been directed for sustainable, long-lasting projects that extend beyond urgent humanitarian needs with the idea of always looking toward taking care of the 'day after'. This is just as important as immediate humanitarian relief, since it focuses on building the infrastructure, societies and the people within them.

##### - Project 1 - Homes in Yemen

- o Partner: Abdullah Aid
- o Location: Yemen
- o Focus: Infrastructure building
- o Summary of activities and outputs:
  - Abdullah Aid was able to successfully deliver 70 Permanent shelters for families affected by conflict and natural disasters.
  - Cost per shelter: £2500
  - Total Budget: £175,000
  - The Project prioritised widows, orphans, elderly individuals and those with disabilities.

##### - Project 2 - Health Centre

- o Partner: Abdullah Aid
- o Location: Syria Health Centre
- o Focus: Health Centre Operational Support
- o Summary of activities and outputs:
  - Support administered over a 12-month period
  - £104,000 Granted
  - Ensured the delivery of essential medical care to vulnerable groups

##### - Project 3 - Educational Assistance

- o Partner: Abdullah Aid/Jamea Abdullah ibn Umm Maktoum
- o Location: India
- o Focus: Educational Services
- o Summary of activities and outputs:
  - Education services for those visually impaired and with speech difficulties
  - 14 Students completed graduation, 26 students completed memorisation of the Qur'an.

##### - Project 4 - Medical Assistance projects

- o Partner: Heal Humanity
- o Location: Morocco & Sri Lanka

# KOTHIA FOUNDATION

## REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

- o Focus: Providing medical services to those in need
- o Summary of activities and outputs:
  - Grant amount: £61,000
  - 5 Disability supported homes (Sri Lanka)
  - 20 Disabled children sponsored (Sri Lanka)
  - 3 Centres helped to provide medical services (Sri Lanka)
  - 50 Wheelchairs provided (Sri Lanka)
  - 100 Wheelchairs provided (Morocco)
  - Cost of project completely covered
- **Project 5 - Solar Panel Project**
  - o Partner: Quwwatul Islam
  - o Location: London, UK
  - o Focus: Installation of Solar Panels for the Masjid
  - o Summary: Begun on the 15th of September 2024 to 15th October 2024
  - o Solar Panels successfully installed.
- **Project 6 - Ongoing Organisational support**
  - o Partner: National Waqf Fund
  - o Location: London, UK
  - o Focus: On-going operational support for National Waqf Fund, a UK registered charity.

### Lessons learned and improvements

During this first year, the charity has gained significant experience and learned important lessons pertaining to the charity operations, compliance and finance;

- the importance of clear, documented grant processes from application through to closure;
- the need for simple but consistent project monitoring tools to track progress and impact;
- the value of early engagement with partners on governance, safeguarding and financial controls; and
- the potential of waqf-style assets to provide longer-term stability for sustainable charitable work, if managed prudently.

These lessons are being built into updated policies, templates and planning for the next period.

# KOTHIA FOUNDATION

## REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### FINANCIAL REVIEW

#### Financial position

##### Overview

A summary of the Foundation's financial performance for the period is set out below, with full details in the accompanying financial statements.

Item	Amount (£)
Total Income	5,065,831
Total Expenditure	2,268,517
<b>Surplus/ (Deficit) for the period</b>	<b>2,797,314</b>
<b>Total funds carried forward at 31/03/25</b>	<b>2,797,314</b>

Income during the period comprised donations from the founder and connected parties, together with any income generated from charitable investments and waqf-linked assets. Expenditure reflected grants awarded, support and governance costs, and any direct costs associated with managing charitable investments.

#### Restricted and unrestricted funds

The Foundation may hold both restricted funds (donations given for a specific purpose) and unrestricted funds (which the trustees can apply at their discretion in furtherance of the objects).

- Restricted funds on 31 March 2025: **£1,217,654**
- Unrestricted funds on 31 March 2025: **£1,579,660**

Details of movements on each fund are given in the notes to the financial statements.

#### Reserves policy

The trustees' policy is to hold free reserves (unrestricted funds not tied up in fixed assets or designated funds) equivalent to approximately three months of expected core operating costs. This is intended to provide a buffer against short-term fluctuations in income and to ensure the orderly wind-down of activities if needed.

On 31 March 2025, free reserves were NIL. The trustees will review the reserves policy and actual reserves position at least annually.

#### Going concern

The trustees have reviewed the Foundation's cash-flow forecasts, reserves and funding profile for at least 12 months from the date of approval of this report. On this basis, they consider that it is appropriate to prepare the financial statements on a going-concern basis and that there are no material uncertainties in this regard.

# KOTHIA FOUNDATION

## REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### FINANCIAL REVIEW

#### Liquidity

As of the year ending 31st March 2025, the charity is net liquid positive, and the trustees have resolved to sell existing assets purchased to hold enough funds which will facilitate the repayment of loans owed by the charity.

The trustees' policy is to maintain free reserves - defined as unrestricted funds not tied up in fixed assets or designated funds - equivalent to approximately three months of expected core operating costs. This reserve acts as a buffer against short-term income fluctuations and ensures the Foundation can manage an orderly wind-down of activities if ever required. On 31 March 2025, free reserves were NIL. While the Foundation holds total unrestricted funds of £1,579,660, these are currently fully committed to fixed assets, including property acquired for long-term charitable use and income generation. To align the Foundation's liquidity with its reserves policy, the trustees have commenced the sale of certain property assets. The proceeds from these disposals are intended to improve the Foundation's cash position, facilitate the repayment of outstanding loans, and establish the required free reserves buffer. The trustees will review the reserves policy and the Foundation's actual reserves position at least annually.

### PLANS FOR THE COMING YEAR

Looking ahead, the trustees intend to build on the foundations laid in this first period.

Priorities for the coming year include:

#### 1. Deepening strategic focus

- o Clarify thematic priorities (for example, education, hardship relief, and community development) and articulate a simple theory of change for Kothia Foundation.

#### 2. Strengthening grant-making and impact

- o Refine due diligence tools; embed proportionate monitoring; and introduce a light-touch impact framework aligned with the Foundation's size and context.

#### 3. Developing waqf and asset-based work

- o Consolidate the Braintree property and any other assets; ensure strong property management; and clarify how income will be applied to charitable purposes.

#### 4. Growing Yusuf Academy Ltd responsibly

- o Support the subsidiary to develop high-quality, compliant educational programmes, while maintaining clear boundaries between charity and trading activities.

#### 5. Enhancing governance and systems

- o Continue to formalise policies, procedures and records; improve reporting to trustees; and explore the use of simple digital tools for finance, CRM and grant management.

These priorities will be delivered within a framework of prudent financial management and a commitment to public benefit.

# **KOTHIA FOUNDATION**

## **REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

Kothia Foundation is a Charitable Incorporated Organisation (CIO) with voting members other than its charity trustees (Association model). The Foundation is registered with the Charity Commission for England and Wales, charity number 1205277. Its governing document is the CIO Constitution, adopted on 18 October 2023 and amended on 29 October 2024.

Under the Constitution, the Foundation's objects are to further such charitable purposes (charitable under English law) as the trustees see fit from time to time for the public benefit, including (but not limited to) by making grants to individuals or to organisations furthering such charitable purposes.

The Board of Trustees ('the Board') is responsible for the overall control and strategic direction of the Foundation, ensuring that it is properly managed and that resources are used only to further its charitable purposes for the public benefit.

#### **Governing document and constitutional arrangements**

The Constitution sets out the rules for appointing, removing and disqualifying trustees; calling and holding meetings; decision-making; management of conflicts of interest; and the application of funds and property. It also provides the trustees with the usual powers necessary to carry out the Foundation's objects, including powers to invest and to establish and oversee subsidiary undertakings.

#### **Trustee recruitment, appointment and induction**

Trustees are appointed in accordance with the Constitution. In practice, this includes identification of candidates with relevant skills and experience, informal discussions, and a formal appointment process recorded in Board minutes.

On appointment, new trustees receive an induction pack that includes:

- the Constitution and key policies (conflicts of interest, safeguarding, finance, data protection, grant-making and reserves);
- the latest annual report and financial statements;
- an overview of current strategy, programmes and partners; and
- Charity Commission guidance 'The essential trustee (CC3)'.

Further training and development is encouraged, including attendance at external seminars and briefings on charity governance, finance, risk, and Islamic philanthropy.

#### **Meetings and decision-making**

The Board meets at least quarterly. Meetings review:

- strategic direction and priorities;
- grant-making and partner performance;
- financial results, forecasts and reserves;
- risk and compliance matters; and
- major operational decisions.

Day-to-day operations are delegated to the Head of Operations, within limits set by the Board and documented in internal procedures. Certain decisions (for example, larger grants, high-risk jurisdictions, and related-party matters) are reserved to the Board.

# KOTHIA FOUNDATION

## REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Key policies

The Foundation maintains a suite of core policies, including:

- safeguarding;
- conflicts of interest;
- finance and expenses;
- reserves;
- data protection and privacy;
- grant-making and partner due diligence;
- anti-fraud
- anti-money laundering and sanctions; and
- risk management.

These policies are reviewed periodically and updated as required.

#### 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 trustees recognise their duty to identify, assess and manage risk in a proportionate and effective way. They maintain a risk register covering strategic, operational, financial, compliance and reputational risks. Principal risks are reviewed at least twice a year, with mitigating actions agreed and monitored.

Key risks during the period and the main mitigations included:

- **Funding volatility** - dependence on a small number of donors and investment performance.
  - o Mitigation: prudent reserves; clear pipeline planning; regular cash-flow forecasting; and diversification between direct donations and waqf-linked income where possible.
- **Safeguarding and reputational risk** - working with beneficiaries and partners in varied contexts.
  - o Mitigation: safeguarding policy; safer-partnering due diligence; clear reporting lines; and escalation procedures.
- **Delivery and partner risk** - ability of partners to deliver projects as planned.
  - o Mitigation: written grant agreements; staged payments; monitoring reports and selective site/virtual visits; and a focus on organisational health, not just projects.
- **Regulatory and compliance risk (including AML and sanctions)** - particularly in higher-risk countries.
  - o Mitigation: structured due diligence; sanctions and PEP checks; use of legitimate banking channels; and documentation of all decisions.

The trustees are satisfied that, at the date of approval of this report, there are no risks that threaten the Foundation's ability to continue as a going concern which have not been appropriately mitigated.

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Registered Charity number

1205277

## **KOTHIA FOUNDATION**

### **REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025**

#### **Principal address**

Watergates Accountants Ltd  
109 Coleman Road  
Leicester  
Leicestershire

#### **Trustees**

- Haroon Kothia - (Chair) - Appointed 18th October 2023
- Zahir Abdul Isha Patel - Appointed 18th October 2023
- Salim Musa Patel - Appointed 18th October 2023

#### **Senior staff and advisers**

- Head of Operations: Mohammed Nadat
- Lead advisers: SureTrust Limited

No trustee received any remuneration for their role as trustee during the period. Trustees are entitled to reclaim reasonable expenses incurred in fulfilling their duties, in line with the Foundation's policy.

#### **Auditors**

Prestons & Jacksons Partnership LLP  
Statutory Auditors  
364 - 368 Cranbrook Road  
Ilford  
Essex  
IG2 6HY

#### **EVENTS SINCE THE END OF THE PERIOD**

Following the relevant period the trustees resolved to establish a wholly owned trading subsidiary, Yusuf Academy Ltd (company number 16552800), to deliver education and enrichment services for children and young people. The subsidiary enables activity that is:

- aligned to the Foundation's charitable purposes; but
- more operationally suitable outside the parent charity (for example, staffing, contracts and some regulatory requirements).

The Kothia Foundation board approves the subsidiary's business plan and appoints its directors. Regular reporting, a group reserves approach and an intra-group agreement are in place to manage risk, clarify decision-making and protect the charity's assets.

# **KOTHIA FOUNDATION**

## **REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025**

### **Fundraising**

During this initial period, the Foundation's income derived primarily from the founder and related parties. There was no public fundraising that took place and no use of professional fundraisers or commercial participators, and no fundraising complaints were received.

### **Grant-making**

#### **Approach to grant-making**

The Foundation's grant-making approach combines strategic focus with proportionate due diligence and monitoring. The typical process includes:

1. Initial engagement - identification of potential partners aligned with the Foundation's priorities, often through existing networks and referrals.
2. Application or proposal - submission of a proposal setting out needs, proposed activities, outcomes, budget and risk considerations.
3. Due diligence - review of legal status, governance, safeguarding, finance, AML/sanctions exposure and operational capacity.
4. Assessment - consideration of impact potential, value for money, risk level and fit with the Foundation's objects and public benefit requirements.
5. Decision and agreement - Board approval (or delegated approval where appropriate), followed by a written grant agreement setting out terms and conditions.
6. Monitoring - proportionate reporting and, where appropriate, site/virtual visits to confirm delivery and capture learning.

### **Trustee expenses and remuneration**

No trustee received remuneration for acting as a trustee during the period.

Trustee expenses reimbursed in the period totalled £16,076. These costs related mainly to travel (and associated subsistence and accommodation where applicable) for programme monitoring and due diligence visits. All expense claims were made in line with the Foundation's expenses policy, supported by evidence, and approved through the Foundation's usual controls.

### **Related-party transactions**

The Foundation enters transactions with related parties only where the trustees are satisfied that doing so is in the charity's best interests and on terms no less favourable than those available from an independent third party. Any actual or potential conflicts of interest are declared in advance, recorded in the minutes, and managed by ensuring the conflicted person does not take part in the discussion or decision.

During the period:

- Donations: The founder and connected parties made donations totalling £4,373,252. These donations were made without conditions and no benefits (goods, services or otherwise) were provided to the donors in return.
- Loans: The founder provided interest-free, unsecured good-will loans of £320,000. The loans are repayable on demand and were used to support charity-compliant investment activity and short-term cash-flow requirements. No security, guarantees or charges were given or received.

The trustees have commenced the sale of certain properties and expect to complete disposals in the near term. This is intended to improve liquidity, support the repayment of outstanding loans, and strengthen the Foundation's free reserves position.



## KOTHIA FOUNDATION

### REPORT OF THE TRUSTEES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

The trustees consider that the terms of these loans are at least as favourable to the Foundation as those that could have been obtained from an independent third party.

Other than the donations and loans disclosed above, the trustees are not aware of any other material related-party transactions during the period.

#### **Conflicts of interest**

Conflicts of interest are managed through the Foundation's policy and the Constitution's provisions. Trustees declare interests on appointment and are asked to update them regularly. Declarations are also invited at the start of each Board meeting. Where a conflict arises, the trustee in question withdraws from discussion and decision-making on that matter and is not counted in the quorum.

#### **Data protection and privacy**

The Foundation holds personal data only where necessary for its charitable purposes (for example, in relation to donors, partners, suppliers and trustees). Basic controls are in place to protect this information, including access controls, secure storage and retention schedules in line with legal requirements.

#### **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).

Charity law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they 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 charity 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 Charities 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 charity 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and The Charity (Accounts and Reports) Regulations 2008. 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.

Approved by order of the board of trustees on .....30/01/2026..... and signed on its behalf by:



.....  
Trustee 8 Haroon Kothia

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF KOTHIA FOUNDATION**

### **Opinion**

We have audited the financial statements of Kothia Foundation (the 'charity') for the period ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the period 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.

### **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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF KOTHIA FOUNDATION**

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

We have nothing to report in respect of the following matters where 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 Trustees 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, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF KOTHIA FOUNDATION**

## **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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory framework within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered were General Data Protection Regulation (GDPR), employment legislations, taxation legislations and anti-fraud, bribery and corruption legislation, MLR, Landlord & Tenant Act and Health & Safety.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Trustees about their own identification and assessment of the risks and irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with Charity Commission, review of donor audit reports, and reading of minutes of meetings of those charged with governance.

Owing to inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF KOTHIA FOUNDATION

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A. PATEL BA (HONS) FCA, BFF

Prestons & Jacksons Partnership LLP  
Statutory Auditors  
364 - 368 Cranbrook Road  
Ilford  
Essex  
IG2 6HY

Date: 30/1/2026

# KOTHIA FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

	Notes	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations	2	<u>1,958,733</u>	<u>3,107,098</u>	<u>5,065,831</u>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>	3			
Poor & Needy		-	1,764,206	1,764,206
Lillah		279,548	-	279,548
Support		<u>99,525</u>	<u>125,238</u>	<u>224,763</u>
<b>Total</b>		<u>379,073</u>	<u>1,889,444</u>	<u>2,268,517</u>
<b>NET INCOME</b>		<u>1,579,660</u>	<u>1,217,654</u>	<u>2,797,314</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>1,579,660</u></u>	<u><u>1,217,654</u></u>	<u><u>2,797,314</u></u>

The notes form part of these financial statements

# KOTHIA FOUNDATION

## BALANCE SHEET 31 MARCH 2025

	Notes	£
<b>FIXED ASSETS</b>		
Tangible assets	7	379,250
Investment property	8	879,979
		<u>1,259,229</u>
<b>CURRENT ASSETS</b>		
Debtors	9	1,564,663
Cash at bank		1,427,346
		<u>2,992,009</u>
<b>CREDITORS</b>		
Amounts falling due within one year	10	(1,453,924)
		<u>1,538,085</u>
<b>NET CURRENT ASSETS</b>		
		<u>2,797,314</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		
		<u>2,797,314</u>
<b>NET ASSETS</b>		
		<u>2,797,314</u>
<b>FUNDS</b>	12	
Unrestricted funds		1,579,660
Restricted funds		1,217,654
<b>TOTAL FUNDS</b>		<u>2,797,314</u>

The financial statements were approved by the Board of Trustees and authorised for issue on .....30/01/2026..... and were signed on its behalf by:



Trustee: Haroon Kothia

The notes form part of these financial statements

**KOTHIA FOUNDATION**

**CASH FLOW STATEMENT**

**FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025**

	Notes	£
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	<u>2,686,575</u>
Net cash provided by operating activities		<u>2,686,575</u>
 <b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets		(379,250)
Purchase of investment property		(879,979)
Net cash (used in)/provided by investing activities		<u>(1,259,229)</u>
 <b>Change in cash and cash equivalents in the reporting period</b>		 <u>1,427,346</u>
<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>1,427,346</u></u>

The notes form part of these financial statements



# KOTHIA FOUNDATION

## NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

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

	£
Net income for the reporting period (as per the Statement of Financial Activities)	2,797,314
Adjustments for:	
Increase in debtors	(1,564,663)
Increase in creditors	1,453,924
Net cash provided by operations	<u>2,686,575</u>

### 2. ANALYSIS OF CHANGES IN NET FUNDS

	At 18/10/23 £	Cash flow £	At 31/3/25 £
Net cash			
Cash at bank	-	1,427,346	1,427,346
	-	1,427,346	1,427,346
Total	-	1,427,346	1,427,346

The notes form part of these financial statements

# KOTHIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### 1. ACCOUNTING POLICIES

#### **Basis of preparing the financial statements**

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention.

#### **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.

**Donations:** This comprises all incoming resources from donations from individuals and corporate organisations which are recognised on a receipt basis.

#### **Investment Income**

Investment Income comprises income generated from Investments and rents receivables.

**Rents Receivable:** Rental Income is recognised over the term of rental agreements.

**Deferred Income:** Donations and grants given to the charity that relates to future accounting periods, the income is deferred until those periods.

#### **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.

#### **Charitable activities**

These are costs associated with the provision of charitable projects and development programmes as elaborated on in the trustees, report section. These include both direct costs and support costs relating to these activities.

#### **Governance costs**

These are costs associated with the governance arrangements of Kothia Foundation. Included within this category are strategic costs as opposed to the day-to-day management costs of the Foundation.

Governance support costs are allocated on the basis of support activities provided on clearly interpreted governance matters.

#### **Tangible fixed assets**

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

# KOTHIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### 1. ACCOUNTING POLICIES - continued

#### **Tangible fixed assets**

No depreciation is charged in the year of acquisitions of buildings.

#### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

#### **Taxation**

The charity is exempt from 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.

Endowment funds is a fund given to the charity as capital. Any income generated from endowment funds is either invested or retained for its purposes.

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

#### **Qardh hassana**

Concessional loans- These are interest free concessional loans from/ (to) the community to/(from) the charity, which are repayable on demand and are showed as other creditors/ (debtors) within one year.

### 2. DONATIONS

	£
Donations	5,063,281
Donated services and facilities	2,550
	<hr/>
	5,065,831
	<hr/>

# KOTHIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### 2. DONATIONS - continued

The total voluntary donations received during the year were as follows:

	18th Oct 23 to 31st Mar 25
	£
Poor & Needy	3,107,098
Lillah	1,956,183
Services in Kind	2,550
	<u>5,065,831</u>

### 3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 4) £	Support costs (see note 5) £	Totals £
Poor & Needy	-	1,764,206	-	1,764,206
Lillah	-	279,548	-	279,548
Support	21,881	125,000	77,882	224,763
	<u>21,881</u>	<u>2,168,754</u>	<u>77,882</u>	<u>2,268,517</u>

### 4. GRANTS PAYABLE

	£
Poor & Needy	1,764,206
Lillah	279,548
Support	125,000
	<u>2,168,754</u>

# KOTHIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### 4. GRANTS PAYABLE - continued

The total grants paid to institutions during the period was as follows:

	£
Bolton Education	30,000
Abdullah Aid	608,400
Afifah	50,000
Darul Uloom Kantharia	10,000
Eman Channel	65,000
LIA Relief Trust	390,000
M Ebrahim Mullah	74,000
Ma'arif Foundation	406,000
Olive High	15,000
One Ummah	20,000
Waterfall Charity	32,243
Wellbeing Care Foundation	15,000
Whithread	9,413
World Care Foundation	1,000
Various	206,395
Green Lane Community Centre	56,967
Heal Hummanity	60,000
Azhar Academy	15,260
National Waqf	44,000
Quwwat Ul Islam	25,000
Tafseer Raheemi Ltd	35,076
	<hr/>
	2,168,754
	<hr/>

The total grants paid to institutions, in terms activities, during the period was as follows:

18th Oct 23 to  
31st Mar 25

	Amount (£)
Education	285,960
Emergency Aid	319,000
Food Packs	53,360
Hardships	10,000
Housing	776,393
Masjid/ Madrasah	218,255
Medical	253,000
Organisational Infrastructure	131,992
Poor & Needy	39,000
Others	81,794
	<hr/>
	2,168,754
	<hr/>

# KOTHIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### 5. SUPPORT COSTS

	Finance	Governance costs	Totals
	£	£	£
Support	<u>68</u>	<u>77,814</u>	<u>77,882</u>

### 6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 March 2025.

#### Trustees' expenses

	£
Trustees' expenses	<u>18,028</u>

The trustees expenses related to travel expenses, including subsistence and accommodation for programme monitoring and due diligence visits.

### 7. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Totals
	£	£	£
<b>COST</b>			
Additions	<u>374,256</u>	<u>4,994</u>	<u>379,250</u>
<b>NET BOOK VALUE</b>			
At 31 March 2025	<u>374,256</u>	<u>4,994</u>	<u>379,250</u>

### 8. INVESTMENT PROPERTY

	£
<b>FAIR VALUE</b>	
Additions	<u>879,979</u>
At 31 March 2025	<u>879,979</u>
<b>NET BOOK VALUE</b>	
At 31 March 2025	<u>879,979</u>

# KOTHIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Other debtors	1,564,110
Prepayments	553
	<u>1,564,663</u>

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	164
Other creditors	1,453,760
	<u>1,453,924</u>

### 11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	Total funds £
Fixed assets	379,250	-	379,250
Investments	879,979	-	879,979
Current assets	1,649,355	1,342,654	2,992,009
Current liabilities	(1,328,924)	(125,000)	(1,453,924)
	<u>1,579,660</u>	<u>1,217,654</u>	<u>2,797,314</u>

### 12. MOVEMENT IN FUNDS

	Net movement in funds £	At 31/3/25 £
<b>Unrestricted funds</b>		
General fund	1,579,660	1,579,660
<b>Restricted funds</b>		
Restricted	1,217,654	1,217,654
<b>TOTAL FUNDS</b>	<u>2,797,314</u>	<u>2,797,314</u>

# KOTHIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 18 OCTOBER 2023 TO 31 MARCH 2025

### 12. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,958,733	(379,073)	1,579,660
<b>Restricted funds</b>			
Restricted	3,107,098	(1,889,444)	1,217,654
<b>TOTAL FUNDS</b>	<b>5,065,831</b>	<b>(2,268,517)</b>	<b>2,797,314</b>

#### Restricted Funds

All restricted funds carried forward as at 31 March 2025 comprised of funds to be utilised for the benefits of the poor and needy.

### 13. RELATED PARTY DISCLOSURES

The connected parties to the trustees donated £4,373,252 during the period ended 31st March 2025.

The connected parties to the trustees also gave an interest free loan of £320,000 repayable on demand, during the period ended 31st March 2025, to the Foundation.

### 14. POST BALANCE SHEET EVENTS

A subsidiary, Yusuf Academy ltd, was incorporated on 1st July 2025. Its principal trading activities are educational support services, and the company registration number is 16552800.