

# TRUSTEES REPORT & ACCOUNTS **2020**



THE WORLD  
**FEDERATION**  
OF KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITIES



The World Federation is an NGO in  
Special Consultative Status with the  
Economic and Social Council (ECOSOC)  
of the United Nations





**A culture of accountability  
makes a good organisation  
great, and a great  
organisation unstoppable**

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**Henry Evans**





# Core values of The World Federation

1

Strive for excellence  
in all fields especially  
in education

2

Serve with simplicity,  
sincerity, tenacity and  
patience

3

Engage with  
grassroots

4

Prevent duplication  
and support  
local efforts and  
innovations

5

Enable and facilitate  
all community  
endeavours

6

Respect others at all  
times

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# Objectives

## OUR VISION:

To be a spiritually vibrant progressive and unified global community for the pleasure of Allah.

## OUR MISSION:

To connect and lead the global membership into a unified community to represent its voice and enable them to achieve a shared vision.

## OBJECTIVES OF THE WORLD FEDERATION OF KSIMC AND PUBLIC BENEFIT

The World Federation of KSIMC (The World Federation) believes that all human beings are entitled to basic provisions, and therefore one of its key strategic objectives is to undertake humanitarian projects to achieve this. The long-term aim of the World Federation is to bring about self-sufficiency within the developing world, through providing access to water, relief of poverty and education for all. In addition, the organisation's core values include spreading the true message of Islam as a religion that emphasises on peace and upholding human values.

Projects are implemented through working closely with partners based in different parts of the globe.

Examples of projects undertaken include:

### Examples of projects undertaken include:-

- Rapid response to emergencies and disasters worldwide
- Relieving financial deprivation through economic development and building human capacity and potential
- Supporting of projects that provide for safe drinking water in developing countries
- Annual Ramadan Relief appeal which distributes food packs to needy families in more than 20 countries
- Provision of necessities to groups that are most vulnerable, such as seniors, children and women
- Sponsoring students from developing

countries wishing to study in regions with a high level of education, supported by adequate resources and facilities

- Engagement with various interfaith groups aimed at bridging the gap between Muslim communities and those of other religions, in order to promote community cohesion
- Publication and distribution of Islamic books

**Our motto is 'We exist to serve'.**

### The organisations constitutional objectives are:

1. to promote the Shia Ithna-Asheri faith throughout the world;
2. to relieve poverty amongst the members of the Community; and
3. to educate members of the Community (where 'the Community' shall mean all those persons throughout the world who are of the Shia Ithna-Asheri faith).

The following report outlines the activities of the Charity in more detail. Each of these activities falls under one of three main departments in the Charity, namely:

- (i) WF-AID
- (ii) Advancement of Islamic Education; and
- (iii) Community Affairs.

These three departments both further the legal objects of the Charity and also concentrate efforts within the plethora of activities undertaken.

An action plan is developed each three-year cycle and guided by Conference which forms the basis of the strategic direction of each department. The Trustees monitor the efficacy of programs and grants through regular reporting from beneficiaries and these are communicated to donors specifically and the public at large on the website. The Trustees of The World Federation of KSIMC are committed in ensuring they have considered Section 17 of the Charities Act 2011 guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

## STRUCTURE and GOVERNANCE

The World Federation is governed by its Constitution dated 27 December 1980, (as amended in May 2014, May 2011, December 2010, October 2009, September 2006, October 2003, June 1997 and October 1990). The accounts have been prepared under the Charities SORP Second Edition, effective 1 January 2019.

### MEMBERSHIP

The World Federation was registered as a charity in England and Wales on 1 June 1982. It was accredited as a Non-Governmental Organisation ('NGO') in Special Consultative Status with the Economic and Social Council of the United Nations in July 2007 and became a member of the Fundraising Standards Board in February 2008.

Following the implementation of the Charities (Protection and Social Investment PSI) Act 2016, the Charity has reviewed its fundraising activities and confirms that it complies with the regulation. The Charity did not make use of any external fundraisers. No complaints were received in respect of its fundraising activities.

The World Federation is a founding member of the Muslim Council of Britain (MCB), and during the period, was also a member and Trustee of the Muslim Charities Forum (MCF).

### ORGANISATIONAL STRUCTURE

The World Federation has an elected President, Vice President, Hon. Treasurer and Hon. Assistant Treasurer.

The Secretariat, led by a nominated Secretary General, and assisted by a nominated Assistant Secretary General, has overall responsibility of the staff and volunteers that coordinate the activities of the organisation. The six Office Bearers are the key management personnel of the Organisation and effectively act as the senior management team. The Office Bearers are not remunerated for their services and only reimbursed occasionally for expenses incurred for duties carried out as Trustees.

The World Federation also has an Executive Council, made up of Councillors from its membership, who regularly meet to monitor the organisation's activities and progress. A triennial conference is also organised to discuss the progress of the preceding three-year period and the direction for the next three years. The Conference has the power to adopt important and strategic resolutions and can amend the Constitution.

### APPOINTMENT OF THE TRUSTEES

The appointment of the Trustees is governed by the Constitution. The Board of Trustees devote their time voluntarily. The organisation undertakes training needs analysis of its Trustees, actively encouraging them to undergo training to fulfil their development needs.

### THE CORPORATE GOVERNANCE FRAMEWORK

After a strategic reorganisation in 2006, a significant proportion of The World Federation's services were devolved to its regional members who were better informed of the local needs and resources of the community. A new focused approach enabled the organisation to work through its 3 departments: WF-AID, Community Affairs and Advancement of Islamic Education. Each department is led by a Head, who is responsible for managing the activities of that department.

# Administrative & Reference Details for the year ending 31 December 2020

**Status:**

Registered charity in England & Wales

**Charity No:**

282303

**Office Bearers****(Key Management Personnel)****President:**

Safder Jaffer

**Vice President:**

Dr Munir Dattoo

**Secretary General:**

Arifali Hirji

**Hon. Treasurer:**

Zaffarali Khakoo

**Assistant Hon. Treasurer:**

Sajjad Rajan

**Accountant:**

Mohamed Lakha

**Trustees:**

Anwarali Dharamsi

(Resigned 28 June 2020\*)

Shabbar Dhalla

(Resigned 28 June 2020\*)

Shan E Abbas Hassam

(Resigned 28 June 2020\*)

Mahmood Dhala

(Resigned 28 June 2020\*)

Mohamedkazim Bhaloo

(Resigned 28 June 2020\*)

Muntazir Bhimji

(Resigned 28 June 2020\*)

Safder Jaffer

(Elected 25 July 2020)

Dr Munir Dattoo

(Elected 25 July 2020)

Arifali Hirji

(Appointed 29 July 2020)

Ruqayya Dattoo-Nanjani

(Appointed 7 August 2020;

Resigned 30 May 2021)

Zaffarali Khakoo

(Elected 25 July 2020)

Sajjad Rajan

(Elected 25 July 2020)

**Principal Office:**

The World Federation of KSIMC

Wood Lane

Stanmore

Middlesex

HA7 4LQ

United Kingdom

**Bankers:**

Barclays Bank, Harrow, UK

Habib Bank AG Zurich, London UK

Habib American Bank, New York, USA

**Auditors:**

Haysmacintyre LLP

10 Queen Street Place,

London EC4R 1AG

(\*The Trustees resigned on 28 June 2020 with 30 days' notice, leading to the election of new Trustees on 25 July 2020)



The WF-AID department engages in international relief and development activities and envisions a world free of suffering, where all human beings have access to basic needs like clean water, food, shelter, sanitation, education and health.

The onset of the COVID-19 pandemic required extensive work to be carried out to determine the needs on the ground in all regions where the Khoja community resides. Over 12,000 low income households were identified in Pakistan, India and Africa who required urgent support, and funds were remitted via regional member federations. 5,000 PPE kits were also supplied in Africa and Europe to help medical personnel early in the pandemic.

In the UK, equipment was funded for the Muslim Youth Helpline during the COVID-19 crisis to provide new licenses, headsets, laptop risers, mice, keyboard, and resources to allow increase in case work as a result of the mental health impact of the pandemic. The World Federation also took part in the Muslim Charities Forum's National Solidarity Campaign, which looked to provide vulnerable and disadvantaged groups with services they need during COVID-19.

## OTHER ACTIVITIES INCLUDED:

- Distribution of food in 26 countries including the UK in the form of food baskets and iftaars in the month of Ramadan, reaching over 575,000 people.
- Facilitating the slaughtering of goats as part of the practise of Qurbani, which enables those less fortunate around the world to have readily obtainable provisions of food. The meat is distributed in Africa amongst the poor and needy, including widows, orphans, seniors and the disabled. In 2020, a total of 1,566 Qurbanis were carried out, providing food to over 6,000 families in need.
- Provision of a healthy and nutritious breakfast during each school term to students across East Africa. As a result, teachers have commented on their increased levels of concentration and motivation, as well as improvements to their academic performance and general behaviour.
- Continued focus on long-term solutions to enable desperate communities access to clean water from remote and hard to reach sources. The projects included:
  - a large-scale desalination water plant in the Gaza Strip, with 1,500 families provided with clean drinking water in the vicinity as direct beneficiaries.
  - the repair of 30 boreholes in 10 villages, along with the installation of 5 hand pumps in the Bukedea, Pallisa and Kibuku Districts of Eastern Uganda.
  - the building and restoration of 78 washroom facilities across Pakistan
  - a number of shallow wells and deep wells in rural areas of Kenya and Tanzania.
- Medical assistance in various regions was provided, including cataract surgeries, major and minor hospital treatments for injuries/sickness, general medicinal aid, and ad-hoc miscellaneous treatments.
- In the largest ever outreach during winter, WF-AID worked in 8 countries, providing warm clothes, blankets, coal, heaters, and other heating essentials to those who cannot afford heating during severe cold weather in various regions around the world.
- 164 people given goods as a loan to start their own business in Lucknow, India, and 20 people given goods/tools to start their businesses or expand in Pakistan who were in need of financial assistance.



- The Zainabiya Child Sponsorship Scheme (ZCSS) continued to give disadvantaged children and their families a chance to live free from the constraints of poverty with dignity and pride. Over 900 students across India, Pakistan, Kenya and Tanzania are being sponsored, with an ever-increasing focus on higher education.



# Advancement of Islamic Education

## ADVANCEMENT OF ISLAMIC EDUCATION

Islam emphasises the importance of upholding and promoting universal humanitarian values, regardless of race, religion, gender or age. The Islamic Education department of The World Federation promotes these values through the true message of Islam as taught in the Qur'an and demonstrated in practice by the Prophet of Islam (saw) and his Holy Household (as).

The activities of the department fall under the functions described below.

### INTERNAL TABLEEGH

The purpose of Internal Tableegh is to promote the teachings of the Qur'an and the Ahl al-Bayt (as) in the Khoja community:

- During the COVID-19 pandemic, working with the religious authorities, updated religious guidance was provided on burial rites for the deceased.
- OneStopFiqh, a single point of call to get information on the latest Islamic Rulings, was released as an easily searchable online resource. Furthermore, this site has been integrated with the Ask An Alim website, a question and answer forum on matters pertaining to the Shia Ithna-Asheri faith, as well as Shia Wills, which gives guidance on making a will.
- The coordination unit in Najaf facilitates more effective Islamic education and spiritual guidance, given The World Federation's relationships with high-ranking scholars. During the year, the office participated in a textbooks project to support around 380 students who benefitted from a supply of books for the whole year.

### EXTERNAL TABLEEGH

The purpose of External Tableegh is to

promote the teachings of the Qur'an and the Ahl al-Bayt (as) in communities other than the Khoja community. In 2020, despite the effects of the COVID-19 pandemic which curtailed many gatherings and spiritual programmes, the team reached out in 30 countries, working on a variety of projects that increased awareness of the lives of the Ahl al-Bayt, including conducting virtual lectures in various parts of the world, organising interfaith meetings and activities in Nepal, raising awareness of the religion through printing of various collateral, and facilitating religious courses for scholars.

During the year, two webinars were organised which garnered worldwide audiences and views in the thousands.

### DIGITAL SERVICES

The purpose of this function is to support the activities of the other three functions of Islamic Education by optimising the opportunities afforded by computer-mediated technologies. In 2020, multiple series of videos were released that provide easy to understand and comprehensive answers to pertinent issues facing the community. In addition, the team produced:

- Fatima al-Zahra (as) - The Spring of Inspiration – a series of 10 podcasts
- Ramadan 2020 - Daily Timeout with The Holy Quran video series
- Muharram 2020/1442 - #BecomeHusayni Series of videos in English and French
- Ziyarah – four further documentaries were released
- Timeless Legacy of Lady Zaynab (as) – a short series of videos

### RESEARCH AND PUBLICATIONS

An important area of Islamic Education's work is publishing books on the history, thought, and practice of the Shia Ithna Asheri faith. In 2020, publications included



***Islam: Misconceptions and Challenges***, which tackles a wide range of important questions pertaining to the twenty-first-century image of Islam, and ***Building a Successful Relationship***, a new volume in the Heavenly Path series, which provides useful spiritual and practical guidance for couples.

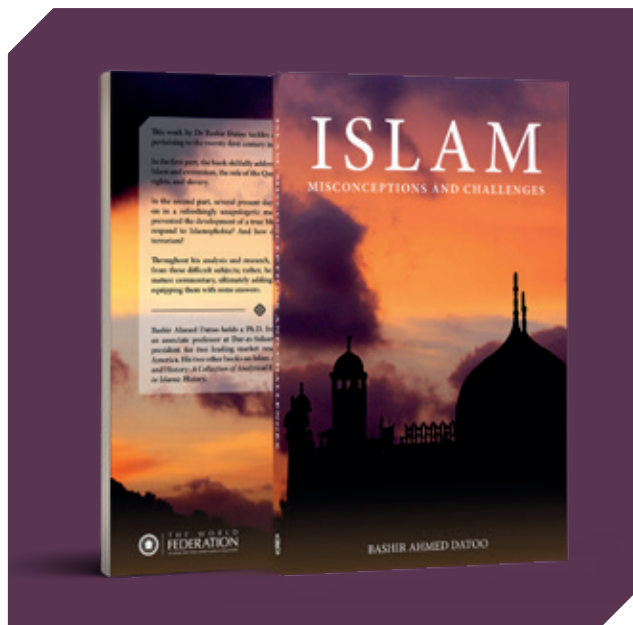
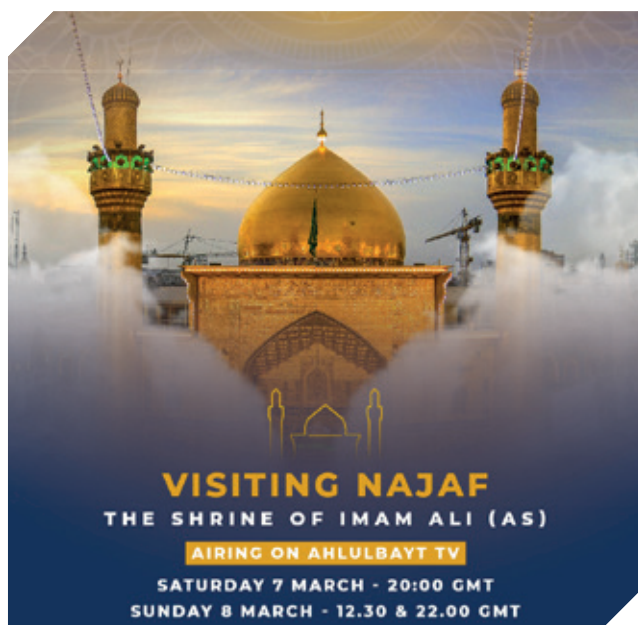
## **MADRASAH CENTRE OF EXCELLENCE (MCE)**

MCE continued to progress in the four main areas of its work, namely:

- Curriculum Development
- Teacher Development
- Learning Resources
- Assessment and Evaluation

In 2020, a major milestone was the release of the madrasah curriculum, Tarbiyah, on a digital platform which is student-centred and caters for contemporary learners and a variety of students at different learning stages.

A new app, Tarbiyah Storytime, was released, a collection of books that have been lovingly designed with great attention to detail to introduce children to a verse of the Holy Qur'an. The app has received excellent reviews and the aim is to make more books available in the app.





# Community Affairs

## COMMUNITY AFFAIRS

The Community Affairs department arranges projects and activities that enable the Khoja Shia Ithna Asheri Community communities to grow and progress, as well as understand and promote their heritage.

### KHOJA HERITAGE PROJECT (KHP)

A concerted effort to preserve heritage is a critical factor to maintain one's cultural legacy. Each ethnic group or nation strives to preserve its cultural heritage that includes their social values, customs, dress, art, cuisine to name but a few that distinguishes them from each other. Yet in this globalised world of today, not everyone feels a connection with their cultural heritage, while others yearn to connect. The aim of the Khoja Heritage Project (KHP) is to promote and preserve the legacy and heritage of the Khoja Shia Ithna Asheri Community. The key objectives of the Khoja Heritage Project (KHP) are:

1. To promote and preserve all aspects of heritage of the Khoja Shia Ithna Asheri Community
2. To collaborate with other Khoja communities in promoting the shared heritage of the Khojas
3. To engage with Academia to enhance the field of academic Khoja Studies

In 2020:

- The third Khoja Heritage Tour was organised, attracting community members from across the world in organised tours of various cities in India relevant to Khoja heritage.
- The second Khoja online course with 12 sessions was held, attracting 140+ participants ranging from 18 to 80 years old and had a global audience. The course offered a deeper understanding of the evolution of the community over seven centuries.
- The Our Story campaign was run,

aimed at youngsters to interview elders in their families and curate their personal accounts. An ebook was produced for each participant to serve as treasured memory of the accounts.

- The KHP Reading circle successfully completed its fourth year, discussing various topics pertaining to the intellectual history of the Khoja Community. So far, more than 50 sessions have been held.
- KhojaPedia, an online encyclopedia that details the socio-religious matters of the Khoja Shia Ithna Asheri Muslim community, continues to be expanded, with several new entries chronicling the past.

### KHOJA NEWS

KhojaNews.org is a dedicated website, designed for the community to share their news and celebrate their achievements. The website has the latest news on business developments and community projects, such as achievements of Khoja institutions and Khoja individuals and items of interest to the community.

In total, 128 news stories were published in 2020 with contributions from community members, all submitting content that matters to them. Topics varied from personal achievements, memorial pieces, and biographies, each bringing a new perspective and insight into the people who make up the community.

### EDUCATION

This department's objective is to empower communities through education and enable them to become self-sufficient. This will create a generation of skilled individuals who will work together to lift their families and communities out of poverty.

The World Federation's various education loan schemes aim to provide an opportunity to the students from humble backgrounds to pursue university degrees leading to a successful career.







# Financial Review & Statements

## FINANCIAL REVIEW

Total income has decreased by £5,304,204 and the Resources Expended decreased by £2,467,043. A summary of these results is shown on the Financial Statements attached to this report.

## RISK MANAGEMENT

The Trustees regularly consider all the risks the Charity might be exposed to and take corrective action to implement appropriate systems to mitigate identified risks. Financial risks are considered at the beginning of each year, and with the strengthening of the Secretariat staff; a thorough review of all operational and environmental risks is continuously being assessed.

## PRINCIPAL RISKS AND UNCERTAINTIES

The World Federation has a formal risk management process through which the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level. The principal risks and uncertainties identified by the Charity are as follows:

### Risk Identified:

Inability to sustain overhead expenditure from unrestricted funds.

### Action Taken To Mitigate The Risk:

Continuous drive to target endowment / foundation funds for investment to generate income returns that can meet the organisation's overhead costs. Further investments have been made to increase investment income and add to the unrestricted funds of the organisation to assist with supporting the administration

and governance costs.

### Risk Identified:

Disbursements and projects sponsored in 'at risk' jurisdictions in the Middle East

### Action Taken To Mitigate The Risk:

Periodic and thorough review of compliance, reporting and governance procedures for any projects undertaken with partners / agencies in 'at risk' jurisdictions. Furthermore, sending staff for compliance visits to monitor and report back on funds disbursements to provide comfort that funds are being used for the intended purposes. This has been put on hold currently due to COVID-19 restrictions, but will resume as soon as circumstances permit.

### Risk Identified:

Reputational risk of constituent members i.e. members of members having a negative impact on public relations and the ripple effects filtering up to The World Federation as the parent body.

### Action Taken To Mitigate The Risk:

Development of policies on key areas being created in consultation with members to ensure that any affiliated organisation to the World Federation meets the required criteria to mitigate reputational risk.

## COVID-19

As of May 2020, the outbreak of COVID-19 affected the Charity in a number of ways similar to other organisations.

- The safety of staff is paramount, so arrangements were made to allow staff to work safely following government advice. Following the lockdown, the office was closed and, as of April 2021, staff continue to work productively from home in line with government advice.
- No staff have been furloughed, thus allowing the Charity operations to continue with minimal disruption.



- The impact on the communities that the organisation serves has been palpable and is bound to increase over time. A number of initiatives were instituted, such as conducting live Zoom shows with global participation, producing videos on a number of topics including spiritual, economic and mental health and wellbeing, and trialling an emotional support helpline.
- An emergency COVID-19 appeal was launched which has been very successful and proceeds have been distributed amongst the vulnerable and impoverished community members who have been hard-hit.
- Over time, the level of donations is expected to drop due to the economic uncertainties caused by the pandemic. In particular, Khums donations are likely to decline as a result of lower earnings and due to a change in the Islamic ruling regarding this particular religious obligation.
- The Charity has a significant cash reserve and because of the nature of the Charity's investments, this income is not expected to be significantly affected. Sensible cost-cutting measures have been made to control expenses.

## INVESTMENTS

The Trustees are actively seeking investment opportunities to invest the Foundation Fund monies that have been specifically given by donors for investment purposes. The Trustees policy is to achieve a return greater than the rate of inflation whilst always taking great care to protect the capital invested. During the year, as a result of the pandemic, no investments were made.

## LOOKING AHEAD

Please refer to page 36 of the financial statement

## GRANT MAKING POLICY

The Trustees have a robust policy of rigorously reviewing grant applications that are received. The review of the applications is conducted by the Heads of Departments in line with these policies prior to approval being given for the grant to be made.

Furthermore, once the grants are released, there is a system in place to monitor the effect of the grant and reporting details acquired to ensure that the objective has been satisfied and to report back to the Charity's donors.

## RESERVES POLICY

The level of total funds held at the end of the year was £8,748,338. The restricted funds at the year-end were £1,815,949.

£2,163,674 are held as designated funds and it is likely that these funds will be disbursed by the Trustees for the activities intended within the next 12 months.

Unrestricted funds are maintained to cover management and administration costs and to respond efficiently to varying application of grants and pledges made.

The Restricted funds are all continuing projects. Where deficits exist, funds have been received after the year-end. Where there are surpluses, the funds are utilised when actual expenditure is incurred.

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation.

The Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- Safeguard the Charity's service commitment in the event of delays in receipt of donations or other income
- Providing a financial cushion against risk and future uncertainties.

To this end, the Trustees have established a reserves policy that is reviewed annually to ensure that the appropriate levels of reserves are maintained. However, the trustees are of the view that reserves should not be set too high, tying up funds which could and should be spent on charitable activities. In line with its duties as a service provider, the organization aims to hold unrestricted reserves, excluding those tied up in tangible fixed assets, amounting to three months projected operating costs.

This is to minimize any disruption to

beneficiaries should a source of income cease. On forecast expenditure this amount is equivalent to £342,000. The actual free reserves at the year-end were £376,478.

Free reserves continue to be in excess of the required target amount and therefore the Trustees can consider investing the surplus reserves to generate income and provide future sustainable funding for the organization.

The Trustees are continually in the process of raising funds for investment to generate a return that will create unrestricted income.

## RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for managing the day-to-day activities of The World Federation as laid down by the Constitution. The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England 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 Charity and of the incoming resources and application of resources of the Charity 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed.

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 are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## RELATED PARTIES

The World Federation has policies in place to identify and document related party transactions which are detailed under note 10a of the accounts section.

## CONCLUSIONS

During the period 1 January 2020 - 31 December 2020, The World Federation has taken significant steps in achieving its operational objectives which were in line with its constitutional objects and the Trustees assert it as a going concern entity.

The World Federation Trustees are grateful to the dedicated service of its staff and many volunteers.

Without their commitment it would be impossible for The World Federation to achieve its objectives and carry out its programs.

The Trustees consider the performance as satisfactory for the year-end 31 December 2020. This report was approved by the Board of Trustees on

*13 September 2021* and signed on its behalf by:

*Zaffarali Khakoo*

**Zaffarali Khakoo**  
Trustee/Hon.Treasurer

*Sajjad Rajan*

**Sajjad Rajan**  
Trustee/Asst.Treasurer

**Date:** *13 September 2021*

# Independent Auditor's Report

## Opinion

We have audited the financial statements of The World Federation of the Khoja Shia Ithna-Sheri Muslim Communities for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).*

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of the Charity's net movement in funds 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.

## Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 Auditor's 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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



# Independent Auditor's Report

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 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Charity; or
- sufficient accounting records have not been kept; or
- the Charity 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 for the financial statements**

As explained more fully in the trustees' responsibilities statements on Page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of The World Federation of the Khoja Shia Ithna-Sheri Muslim Communities, we identified that the principal risks of non-compliance with laws and regulations relates to the Charities Act 2011, Employment law, Fundraising regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the application of FRS 102, income tax and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to application of controls around authorisation of expenditure and payments, which include overseas grant making.

# Independent Auditor's Report

Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular, journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Reviewing the procedures around approval of grants and authorisation of payments.

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

## Use of our report

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

*Haysmacintyre LLP*

## **Haysmacintyre LLP**

Statutory Auditors

10 Queen Street Place, London EC4R 1AG

**Date:** *22 September 2021*

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Statement of Financial Activities

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	2020 Restricted Funds £	2020 Unrestricted Funds £	2020 Total Funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	2,266,648	8,239,738	10,506,386	15,807,009
Investments	3	-	33,522	33,522	37,103
<b>TOTAL</b>		<b>2,266,648</b>	<b>8,273,260</b>	<b>10,539,908</b>	<b>15,844,112</b>
EXPENDITURE ON:					
Charitable activities:	4				
Health		34,285	13,390	47,675	50,673
Relief		3,624,172	2,952,038	6,576,210	10,690,512
Advancement of Education		-	4,836,023	4,836,023	3,185,766
<b>TOTAL</b>		<b>3,658,457</b>	<b>7,801,451</b>	<b>11,459,908</b>	<b>13,926,951</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(1,391,809)</b>	<b>471,809</b>	<b>(920,000)</b>	<b>1,917,161</b>
<b>TRANSFERS BETWEEN FUNDS</b>	17	<b>756,012</b>	<b>(756,012)</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(635,797)</b>	<b>(284,203)</b>	<b>(920,000)</b>	<b>1,917,161</b>
<b>Total funds at 1 January 2020</b>		<b>2,451,746</b>	<b>7,216,592</b>	<b>9,668,338</b>	<b>7,751,177</b>
<b>TOTAL FUNDS AT 31 DECEMBER 2020</b>		<b>1,815,949</b>	<b>6,932,389</b>	<b>8,748,338</b>	<b>9,668,338</b>

The accompanying notes form an integral part of these accounts.

All activities are continuing and no activities were discontinued this year.



# Balance Sheet

AS AT 31 DECEMBER 2020

		2020		2019	
	NOTES	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		669,176		714,390
Investment property	12		834,781		825,750
Investments in subsidiary undertakings	13a		1		100
Investments in associates	13b		3,655,138		3,640,050
			-----		-----
			5,159,096		5,180,290
<b>CURRENT ASSETS</b>					
Debtors	14	946,625		982,193	
Cash at bank		3,567,508		4,949,534	
		-----		-----	
		4,514,133		5,931,727	
<b>CREDITORS:</b> amounts falling due within one year	15	(924,891)		(1,253,956)	
		-----		-----	
<b>NET CURRENT ASSETS</b>			3,589,242		4,677,771
			-----		-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			8,748,338		9,858,061
<b>CREDITORS:</b> amounts falling due after more than one year	16		-		(189,723)
			-----		-----
<b>NET ASSETS</b>			8,748,338		9,668,338
			=====		=====
<b>FUNDS</b>					
Restricted Funds	17		1,815,949		2,451,746
General Funds			4,768,715		4,032,203
Designated Funds			2,163,674		3,184,389
			-----		-----
<b>TOTAL FUNDS</b>			8,748,338		9,668,338
			=====		=====

The financial statements were approved and authorised for issue by the Board of Trustees on 13 September 2021 and were signed below on its behalf by:

Zaffarali Khakoo

**Zaffarali Khakoo**  
Trustee/Hon. Treasurer

Safder Jaffer

**Safder Jaffer**  
Trustee/President

The accompanying notes form an integral part of these accounts.

# Statement of Cash Flow

AS AT 31 DECEMBER 2020

	2020 £	2019 £
<b>Cash flows from operating activities:</b>		
Net cash (used in)/provided by operating activities	(1,387,046)	2,123,299
<b>Cash flows from investing activities</b>		
Dividends and interest	33,522	37,103
Payments to purchase investments	(14,989)	(865,750)
Payments to purchase investment properties	(9,031)	-
Payments to acquire tangible fixed assets	(4,482)	(54,366)
<b>Net cash (used in)/provided by investing activities</b>	<b>5,020</b>	<b>(883,013)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(1,382,026)</b>	<b>1,240,286</b>
Cash and cash equivalents at the beginning of the reporting period	4,949,534	3,709,248
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,567,508</b>	<b>4,949,534</b>
<b>NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(A) Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities:</b>		
Net movement in funds:		
Depreciation charges of tangible fixed asset	(920,000)	1,917,161
Depreciation on mobile homes	49,696	27,020
(Increase)/decrease in debtors	35,568	(193,287)
Increase in creditors	(518,788)	409,508
Dividends, interests and rents from investments	(33,522)	(37,103)
<b>Net cash provided by/(used in) operating activities</b>	<b>(1,387,046)</b>	<b>2,123,299</b>
<b>(B) Analysis of Cash and Cash equivalents</b>		
Cash at bank and in hand	<b>3,567,508</b>	<b>4,949,534</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

## 1. ACCOUNTING POLICIES

### Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity meets the definition of a Public Benefit Entity registered as a charity in England and Wales, it was registered in 1982 (charity number: 282303).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### Going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and have considered the impact of the coronavirus pandemic on the Charity's operations. In particular the Trustees have considered the Charities forecasts and projections and have taken account of pressures on donation income. After making enquiries the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

### Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

### Income

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.



Rental income is recognised in the period in which the income falls due on an accruals basis.

### **Expenditure**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. 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 payable are charged in the year when the offer is conveyed to the recipient. 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.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investment management and other support costs that do not relate directly to separate charitable activities.
- Expenditure on charitable activities includes the costs of projects on health, relief and advancement of education undertaken to further the purposes of the Charity and their associated support costs.
- Support costs have been allocated to direct activities based on the total direct costs of each function. Governance costs are now allocated in line with other support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the statement of financial activities.

### **Operating leases**

All operating leases rentals are charged to the statement of financial activities over the terms of the lease.

### **Short term benefits**

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

### **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

### **Tangible fixed assets and depreciation**

All assets costing more than £1,400 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Fixtures and fittings	- 10% straight line
Software	- 20% straight line

### **Investment**

Investment properties are included in the balance sheet at their open market value. Investments properties also include programme related investments stated at costs less impairment. Details are included in Note 12.

Investments in the subsidiary and the associates are stated at their actual investment costs.

### **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except

social security and other taxes.

### **Debtors**

Trade and other debtors are recognised at the settlement due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligations resulting from a past event that will probably result in the transfer funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **Critical accounting judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider the following items to be areas subject to estimation and judgement.

- The estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge;
- The assumptions adopted by the Trustees in determining the market value of investment properties and assessment of impairment of the investments in associates;
- The assumptions adopted by the Trustees and management in determining the value of any designations required from the Charity's general unrestricted funds; and
- The basis on which support costs have been allocated across expenditure headings.

## 2. INCOME FROM DONATIONS AND LEGACIES

	TOTAL FUNDS 2020 £	TOTAL FUNDS 2019 £
Donations	10,247,508	15,588,252
Legacies	16,693	50,028
Subscriptions	550	502
Gift Aid reclaimed	208,931	149,499
Management charges	19,264	14,505
Books and CD sales	13,440	4,223
	10,506,386	15,807,009

Included in above are restricted donations of £913,748 (2019: £3,276,746). All other income in both years was unrestricted.

## 3. INVESTMENT INCOME – UNRESTRICTED FUNDS

	Total Funds 2020 £	TOTAL FUNDS 2019 £
Rental income	15,864	6,896
Bank interest	17,688	30,207
	33,522	37,103

## 4. EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Grants Payable £	Support Costs Other Support Costs £	Governance Cost £	Total Funds 2020 £
Health	-	-	43,762	3,679	234	47,675
Relief	38,793	515,323	5,527,772	464,790	29,532	6,576,210
Advancement of Education	231,564	76,554	4,156,232	349,468	22,205	4,836,023
	270,357	591,877	9,727,766	817,937	51,971	11,459,908

## COMPARATIVE PERIOD

	Direct Staff Costs £	Direct Other Costs £	Grants Payable £	Support Costs Other Support Costs £	Governance Cost £	Total Funds 2019 £
Health	-	-	49,734	866	73	50,673
Relief	35,209	1,862,509	8,580,669	199,525	12,600	10,690,512
Advancement of Education	210,169	276,686	2,117,447	551,839	29,625	3,185,766
	245,378	2,139,195	10,747,850	752,230	42,298	13,926,951



<b>5. ALLOCATION OF SUPPORT COSTS</b>	<b>Staff £</b>	<b>Premises £</b>	<b>Office £</b>	<b>Governance £</b>	<b>2020 Total Funds £</b>
Health	1,022	100	2,557	234	3,913
Relief	129,095	12,661	323,034	29,532	494,322
Advancement of Education	97,065	9,520	242,883	22,205	371,673
	-----	-----	-----	-----	-----
	227,182	22,281	568,474	51,971	869,908
	=====	=====	=====	=====	=====

<b>COMPARATIVE PERIOD</b>	<b>Staff £</b>	<b>Premises £</b>	<b>Office £</b>	<b>Governance £</b>	<b>2019 Total Funds £</b>
Health	-	-	866	73	939
Relief	35,209	14,283	150,033	12,600	212,125
Advancement of Education	192,259	6,878	352,702	29,625	581,464
	-----	-----	-----	-----	-----
	227, 468	21,161	503,601	42,298	794,528
	=====	=====	=====	=====	=====

Support costs have been allocated to direct activities based on the grants payable under (2019: "total direct costs of") each function.

<b>6. GRANTS TO INDIVIDUALS</b>	<b>Number</b>	<b>Total Funds 2020 £</b>	<b>Number</b>	<b>Total Funds 2019 £</b>
Health	2	1,000	2	4,073
Relief	283	2,316,822	388	2,722,263
Advancement of Education	191	117,931	160	138,658
	-----	-----	-----	-----
	476	2,435,753	550	2,864,994
	=====	=====	=====	=====

<b>7. GRANTS TO INSTITUTIONS</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Health	42,762	45,661
Relief	3,210,950	5,858,406
Advancement of Education	4,038,301	1,978,789
	-----	-----
	7,292,013	7,882,856
	=====	=====

Significant grants awarded to institutions include:

	2020 £	2019 £
Africa Federation	1,577,876	2,102,012
Al Imam AsSajad Foundation	93,397	164,000
Al-Basaer Charitable Development	270,945	177,393
Alyatem	127,692	577,112
Anjuman Samaji Bahbood	188,430	191,692
Council of All KSI Jamaats India Fed	269,218	91,075
Council of European Jamaats	2,112,302	442,978
Dar Al Zahra School	99,693	122,865
Federation of KSIJ of Pakistan	-	182,279
Husaini Education & Welfare Society Trust	149,234	208,940
Hussaini Foundation	554,824	484,802
Imam Al Sadr Foundation	224,709	565,000
Khoja Shia Isnaashari Jamaat	-	120,458
Khoja (Pirbhai) Shia Isna Asheri Jamaat	80,000	-
KSI (South London) Jamaat	958,563	-
Madeenat Al-Elm Cultural Foundation	-	289,792
Mainstay Foundation	82,336	-
MKSI Peterborough	206,443	-
Noor Trust	-	181,809
Orison Charitable Trust	248,840	340,650
SIJ of New York	-	274,417
	7,244,502	6,517,274

8. GOVERNANCE COSTS

	TOTAL FUNDS 2020 £	TOTAL FUNDS 2019 £
Auditor's remuneration – audit fees (including VAT)	22,800	18,000
Auditor's remuneration – accountancy fees (including VAT)	4,080	3,840
Legal and professional fees	1,647	-
Staff costs	23,444	20,458
	51,971	42,298

9. NET INCOME/(EXPENDITURE)

	TOTAL FUNDS 2020 £	TOTAL FUNDS 2019 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
- Owned by the Charity	49,696	27,020
Auditors' remuneration		
- Audit (excluding VAT)	19,000	15,000
- Prior year audit fees under-charged	3,000	-
- Accountancy fees (excluding VAT)	3,400	3,200

## 10. STAFF COSTS

2020	2019
£	£

Staff costs were as follows:

Wages and salaries	465,687	429,616
Social security costs	46,435	43,230
Pension	8,861	-
	<hr/>	<hr/>
	520,983	472,846
	<hr/>	<hr/>

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

	No.	No.
Education	6	6
Health	5	5
Administration	4	4
	<hr/>	<hr/>
	15	15
	<hr/>	<hr/>

No employee received remuneration amounting to more than £60,000 in either year. Key management personnel are deemed to be the Trustees. The Trustees did not receive any remuneration in respect of the services provided to the organisation.

### 10 a. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2020, travel and subsistence expenses totalling £1,715 were reimbursed to 3 Trustees (2019: £4,956 to 4 Trustees).

During the year donations from Trustees totalled £295,416 (2019: £478,760).

One Trustee also donated funds through an entity (Oceanair Freight) where he is a director - Total amounts donated in 2020 were £102,362 (2019: Veenak International £73,324).

During the year, no Trustees received any remuneration or any benefits in kind (2019 - £Nil).

During the period till July 2020 the Charity received £1,005,901 (2019: £1,330,440) from Africa Federation and paid £1,577,876 (2019: £2,102,012)

Included in debtors is amount due from Africa Federation amounting to £205,064 (2019: £242,231)

There were no other related party transactions in the year.



## 11. TANGIBLE FIXED ASSETS

	Land and Buildings £	Furniture, Fittings and Equipment £	Software £	Total £
<b>COST</b>				
At 1 January 2020	651,145	75,175	152,674	878,994
Additions	-	-	4,482	4,482
At 31 December 2020	651,145	75,175	157,156	883,476
<b>DEPRECIATION</b>				
At 1 January 2020	117,206	39,764	7,634	164,604
Charge for the year	13,023	6,138	30,535	49,696
At 31 December 2020	130,229	45,902	38,169	214,300
<b>NET BOOK VALUE</b>				
At 31 December 2020	520,916	29,273	118,987	669,176
At 31 December 2019	533,939	35,411	145,040	714,390

Between 2008 and 2016, building work had been carried out in Canada has amounted to £651,145

## 12. INVESTMENT PROPERTY

	2020 £	2019 £
<b>Market Value</b>		
At 1 January 2020	825,750	60,000
Additions	9,031	765,750
Revaluation (loss)/gain	-	-
At 31 December 2020	834,781	825,750

The above valuation includes costs of £154,122 relating to investments in 2 properties that are classified as programme related investments in accordance with FRS102. The costs for these two properties represent 50% equitable shares owned by the Charity with the aim to generate rental income for the use of charitable purposes. The two remaining properties have been included at the Trustees' valuation, who do not believe there to be a material movement in their fair value as at the year-end.

## 13 a. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2020 £	2019 £
100% ordinary share capital of WF Digital Limited	1	-
Registered in England & Wales (Company number: 13105408)		
100% ordinary share capital of KSIMC Residential Investments Limited	100	100
KSIMC Residential Investments Ltd reclassified as an Associate	(100)	-
	1	100

The Charity holds 100% of the issued share capital of WF Digital Limited, a company registered in England and Wales. Its registered offices are based at Wood Lane, Stanmore, Middlesex HA7 4LQ. The Company was registered on 30 December 2020 and was dormant in the period. At 31 December 2020 the share capital and net assets of WF Digital Limited amounted to £1

**13 b. INVESTMENT IN ASSOCIATE**

	2020 £	2019 £
KSIMC Residential Investments Ltd – A shares	50	-
KSIMC Residential Investments Ltd – B shares	38	-
KSIMC Investments Ltd – A Shares	50	50
KSIMC Investments Ltd – B Shares	3,640,000	3,540,000
KSIMC Investments Ltd – B Shares issued in the year	15,000	100,000
	<u>3,655,138</u>	<u>3,640,050</u>
	=====	=====

**14. DEBTORS**

	2020 £	2019 £
<b>Amounts due in within one year</b>		
Loans to individuals	114,930	129,368
Loans to Charitable organisations	178,727	229,984
Other debtors	339,713	421,350
Prepayments	1,273	1,491
	<u>634,643</u>	<u>782,193</u>
	=====	=====
<b>Amounts due in more than one year</b>		
Loans to Charitable organisations	311,982	200,000
	<u>946,625</u>	<u>982,193</u>
	=====	=====

**15. CREDITORS: amounts falling due within one year**

	2020 £	2019 £
Other creditors	660,427	890,553
Trade creditors	237,784	328,818
Accruals	26,680	21,840
Other taxation and social security	-	12,745
	<u>924,891</u>	<u>1,253,956</u>
	=====	=====

**16. CREDITORS: amounts falling due after more than one year**

	2020 £	2019 £
Other creditors	-	189,723
	<u>-</u>	<u>189,723</u>
	=====	=====

This amount is held in trust for an associate member organisation.

## 17. STATEMENT OF FUNDS

	BROUGHT FORWARD 01/01/2020 £	INCOME £	EXPENDITURE £	TRANSFERS £	CARRIED FORWARD 31/12/2020 £
<b>DESIGNATED FUNDS</b>					
Khums	378,991	3,849,399	(2,909,588)	(852,081)	466,721
WF-AID	1,154,271	2,863,714	(2,833,140)	342,623	1,527,468
Capital Projects Fund	1,496,000	-	-	(1,496,000)	-
Education	-	-	-	24	24
Huqooq	155,127	282,165	(212,128)	(55,703)	169,461
	<b>3,184,389</b>	<b>6,995,278</b>	<b>(5,954,856)</b>	<b>(2,061,137)</b>	<b>2,163,674</b>
<b>UNRESTRICTED FUNDS</b>					
General Fund	4,032,203	1,277,982	(1,846,595)	1,305,125	4,768,715
<b>Total Unrestricted Fund</b>	<b>4,032,203</b>	<b>1,277,982</b>	<b>(1,846,595)</b>	<b>1,305,125</b>	<b>4,768,715</b>
<b>RESTRICTED FUNDS</b>					
R. Hiridjee (MARC) Foundation Fund	16,445	-	(13,023)	463,902	467,324
Capital Projects Fund	-	1,389,157	(2,609,817)	1,221,140	480
Health	34,285	-	(34,285)	-	-
Late R.R. Merali Fund	513,464	-	-	(513,464)	-
Africa Federation Education	-	82,539	(165,116)	111,041	28,464
Mogadishu Fund	730,942	-	-	-	730,942
Amanat Trust Fund	1,089,379	507,463	(599,743)	(614,303)	382,796
Education	17,871	20,236	(45,683)	7,576	-
Mamas	120	120	(120)	120	240
Zainabiya Child Sponsorship Scheme	42,601	256,892	(190,670)	80,000	188,823
Yasir Asir Sponsorship Scheme	6,639	10,241	-	-	16,880
	<b>2,451,746</b>	<b>2,266,648</b>	<b>(3,658,457)</b>	<b>756,012</b>	<b>1,815,949</b>
<b>Total Funds for the Charity</b>	<b>9,668,338</b>	<b>10,539,908</b>	<b>(11,459,908)</b>	<b>-</b>	<b>8,748,338</b>

**17. STATEMENT OF FUNDS  
COMPARATIVE - 2019**

	BROUGHT FORWARD 01/01/2019 £	INCOME £	EXPENDITURE £	TRANSFERS £	CARRIED FORWARD 31/12/2019 £
<b>DESIGNATED FUNDS</b>					
Khums	191,156	3,959,709	(2,885,882)	(885,992)	378,991
WF-AID	870,753	5,222,957	(5,200,937)	261,498	1,154,271
Investment Fund	1,496,000	-	-	-	1,496,000
Huqooq	208,514	461,342	(475,229)	(39,500)	155,127
	2,766,423	9,644,008	(8,562,048)	(663,994)	3,184,389
<b>UNRESTRICTED FUNDS</b>					
General Fund	1,868,212	2,923,358	(2,637,859)	1,878,492	4,032,203
<b>Total Unrestricted Funds</b>	<b>4,634,635</b>	<b>12,567,366</b>	<b>(11,199,907)</b>	<b>1,214,498</b>	<b>7,216,592</b>
<b>RESTRICTED FUNDS</b>					
Hiridjee Foundation Fund	493,370	502,792	(393,892)	(585,825)	16,445
Health	9,975	74,043	(49,733)	-	34,285
Late R.R. Merali Fund	513,464	-	-	-	513,464
Mogadishu Fund	480,942	250,000	-	-	730,942
Amanat Trust Fund	1,514,481	2,086,269	(1,934,414)	(576,957)	1,089,379
Education	37,200	24,672	(44,001)	-	17,871
Mamas	-	120	-	-	120
Zainabiya Child Sponsorship Scheme	18,972	328,094	(252,749)	(51,716)	42,601
Yasir Asir Sponsorship Scheme	48,138	10,756	(52,255)	-	6,639
<b>Total Unrestricted Funds</b>	<b>3,116,542</b>	<b>3,276,746</b>	<b>(2,727,044)</b>	<b>(1,214,498)</b>	<b>2,451,746</b>
<b>Total Funds for the Charity</b>	<b>7,751,177</b>	<b>15,844,112</b>	<b>(13,926,951)</b>	<b>-</b>	<b>9,668,338</b>



## TRANSFERS

Transfers have been made at the Trustees discretion from designated and unrestricted funds to cover deficits or shortfalls on other funds. Restricted funds have been lawfully released to unrestricted funds where charity law permits the use of an excess of restricted funds raised from an appeal for an alternative charitable purpose within general or designated funds.

## DESIGNATED FUNDS

**WF-AID** - Funds for the humanitarian work undertaken by International Relief and Development through emergency relief, community development schemes, reconstruction and rehabilitation projects to the underprivileged people who lack basic provisions in regions of deprivation, war and natural disasters.

**Investment Fund** - Funds used for investments, where the income generated can be utilised for operational expenses.

**Khums & Huqooq Funds** - Specific funds to be utilised in accordance to the teachings of the Islamic faith and at the discretion of the Trustees.

## RESTRICTED FUNDS

**Hiridjee Foundation Fund** - Specific Funds received and utilised for the construction of an Information Resource Centre in Canada.

**Health** - Used for the health projects undertaken by The World Federation including four primary healthcare centres and four eye clinics in South Asia, where the underprivileged are given medical help and educated in hygiene and preventative measures.

**The Late R R Merali Fund** - Funds representing the legacy donation of a freehold land and building.

**Mogadishu Fund** - Used for investment, where the income generated should be utilised on education and tabligh (Islamic education) projects .

**Amanat Trust** - Funds held on behalf of donors to be utilised for charitable purposes in accordance to their instructions.

**Education** - Used for the education activities of The World Federation with an aim of assisting deprived children to receive quality education so that they can support their families and communities.

**Mulla Asgher Memorial Academic Scheme (MAMAS)** - Aimed at supporting education of children and youth in Africa.

**Zainabiya Child Sponsorship Scheme (ZCSS)** - Aimed at eliminating poverty through education of children and youth. Deserving students are being sponsored for their studies from primary to higher education.

**Zainabiya Yatim & Asir Sponsorship Scheme** - Aimed at providing education and basic amenities to the growing number of orphan and refugee children who have been afflicted by war.

**18. ANALYSIS OF NET ASSETS  
BETWEEN FUNDS**

	2020 RESTRICTED FUNDS £	2020 UNRESTRICTED FUNDS £	2020 TOTAL FUNDS £
Tangible fixed assets	520,916	148,260	669,176
Investments	-	4,489,920	4,489,920
Current assets	1,295,033	3,219,100	4,514,133
Creditors due within one year	-	(924,891)	(924,891)
Creditors due more than one year	-	-	-
	----- 1,815,949 =====	----- 6,932,389 =====	----- 8,748,338 =====

**ANALYSIS OF NET ASSETS  
BETWEEN FUNDS - COMPARATIVE (RESTATED)**

	2019 RESTRICTED FUNDS £	2019 UNRESTRICTED FUNDS £	2019 TOTAL FUNDS £
Tangible fixed assets	533,939	180,451	714,390
Investments	-	4,465,900	4,465,900
Current assets	1,917,807	4,013,920	5,931,727
Creditors due within one year	-	(1,253,956)	(1,253,956)
Creditors due more than one year	-	(189,723)	(189,723)
	----- 2,451,746 =====	----- 7,216,592 =====	----- 9,668,338 =====

**19. OPERATING LEASE COMMITMENTS**

	2020 £	2019 £
At 31 December 2020, The Charity's future minimum operating lease payments are as follows:		
Less than 1 year	1,082	1,146
1-2 years	1,110	2,192
2-5 years	-	-
	----- 2,192 =====	----- 3,338 =====

# Looking Ahead

The COVID-19 pandemic caused the triennial conference that was scheduled for March 2020 to be postponed until it is safe for it to be held. It was held as a virtual meeting in May 2021.

Internal processes, systems, policies and frameworks continue to be strengthened in order to improve accountability and transparency, and the intention is to institute a regular cycle of third party audits in all areas of charity to support this.

WF-AID, the department focussing on humanitarian aid, is focusing on the reduction of poverty in Africa, India and Pakistan, and will continue to build capacity in these regions to respond to humanitarian need, and engage the grassroots and the community to get involved with and support WF-Aid in these initiatives.

Efforts on spiritual growth continue via a growing programme of projects in Digital Services which aim to harness the power of digital technology. During 2021, an online seminary will be launched to make spiritual scholarship more easily accessible.







*Progress is rarely a straight line. There are always bumps in the road, but you can make the choice to keep looking ahead*

**Kara Goucher**  
Athlete





# KHOJA

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THE WORLD  
FEDERATION  
OF KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITIES



I would like to sincerely thank each and every one of you for your heartfelt support - from our devoted staff working daily on the multitude of projects, to our volunteers around the globe who serve with inspiring dedication, and above all, to our donors and sponsors for their ongoing contributions which make everything we do possible.

**Safder Jaffer**

President | The World Federation of KSIMC



Registered Charity in the UK No: 282303

The World Federation is an NGO in Special Consultative Status with the Economic and Social Council (ECOSOC) of the United Nations