



THE WORLD  
FEDERATION  
OF KSIMC

Registered Charity in the UK No. 282303

# TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 DECEMBER 2021



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

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# OBJECTIVES

## Our Vision:

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

## 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, by providing access to water, relief from poverty and education opportunities 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:**

- » Rapid response to emergencies and disasters worldwide
- » Providing educational support to the most deserving to fulfil nursery, primary, secondary and higher education
- » Relieving financial deprivation through economic development and building human capacity and potential
- » Supporting of projects that provide 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 with an ambition to study in regions with advanced 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 organisation's 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 (including education)
- (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 by the Conference (the Charity's most powerful forum) 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 through multiple means: newswires, social media channels, personalised reports and on our websites. The Trustees of The World Federation of KSI MC 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 in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

## 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.

## 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 can be reimbursed for expenses incurred for duties carried out as Trustees. As set out in note 10a, Related Party Transactions, there were no reimbursements for Office Bearers for travel and subsistence expenses.

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<sup>st</sup> December 2021

<b>Status:</b>	Registered charity in England & Wales
<b>Charity No:</b>	282303
<b>Office Bearers:</b>	(Key Management Personnel)
<b>President:</b>	Safder Jaffer
<b>Vice President:</b>	Dr Munir Datto
<b>Secretary General:</b>	Arifali Hirji
<b>Hon. Treasurer:</b>	Zaffarali Khakoo
<b>Assistant Hon. Treasurer:</b>	Sajjad Rajan
<b>Accountant:</b>	Mohamed Lakha

### Trustees:

Safder Jaffer (Elected 25 July 2020)
Dr Munir Datto (Elected 25 July 2020)
Arifali Hirji (Appointed 29 July 2020)
Ruqayya Datto-Nanjiani (Appointed 7 August 2020; Stepped Down 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

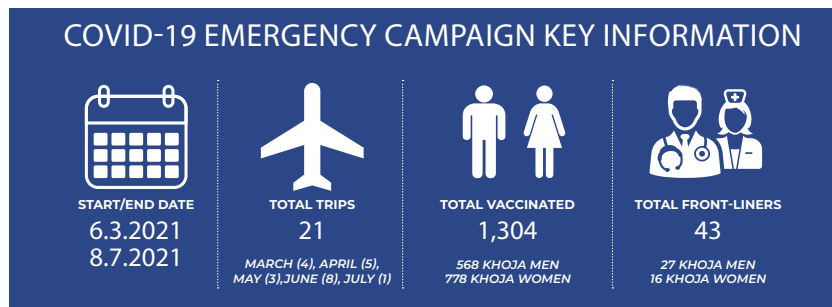
10 Queen Street Place,

London EC4R 1AG

The 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.

## COVID-19 EMERGENCY CAMPAIGN

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 Khoja communities reside.



In 2021, The World Federation focused on Tanzania, as access to vaccines was very difficult. In total more than 25,000 individuals from Tanzania were vaccinated.



President of TWF, Safder Bhai Jaffer presents a 10-liter oxygen concentrator to President of Zanzibar, Dr. Hussein Ali Mwinyi as part of a 50-set donation to the People of Zanzibar.

The WF, in collaboration with the Federation of Australasian Communities and the Africa Federation came together in a tripartite arrangement to provide 237 oxygen concentrators for the KSI community in Tanzania. In India, a total of 1,734 community members were vaccinated across 5 vaccination camps and a total of 150 Oxygen Concentrators were provided to health centers in need.

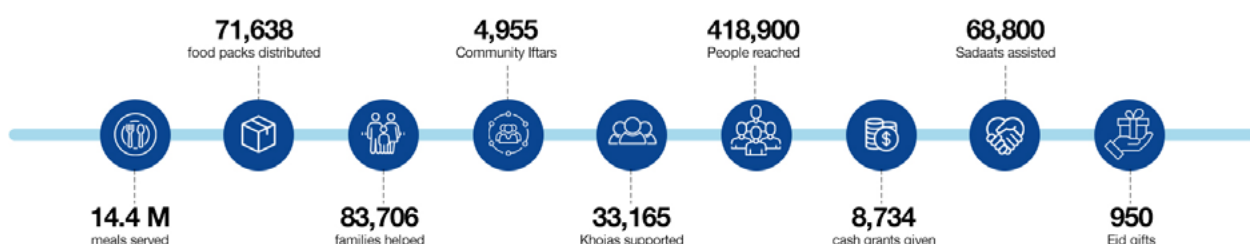




In 2021, WF-AID's **Ramadan Relief Appeal** successfully collected a total of USD \$2,200,000 in donations. We distributed vital Ramadan Relief in the form of Food Packs, Community Meals, Cash gifts and Eid Gifts to over 24 indigent countries around the world.

Our 71,638 Food Packs provided refugees and destitute parents with nutritious meals for their otherwise starving families. A total of 14.4 million meals were served to feed deserving beneficiaries during Ramadan. Many families were invited to Islamic programs where they were gifted Qur'ans during the Holy month as well as Eid Gifts for children. Aid was provided to 418,900 beneficiaries in total.

## Ramadan Relief 2021 Total Statistics



## Qurbani Total Statistics

Summary of 2021 Regular Qurbanis		Summary of 2021 Hajj Qurbanis	
TOTAL QURBANI	1,174	TOTAL QURBANI	580
BENEFICIARY FAMILIES	5,870	BENEFICIARY FAMILIES	2,900
BENEFICIARY INDIVIDUALS	29,350	BENEFICIARY INDIVIDUALS	14,500

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, is an Islamic recommendation. The meat is distributed in Africa amongst the poor and needy, including widows, orphans, seniors and the disabled. In 2021, a total of **1,754 Qurbanis** were carried out, providing food to **over 8,700 beneficiary families** which translates to almost **44,000 individual beneficiaries** in need.

## Education

Our Fill My Cup Programme successfully continued in 2021 to provide 4,184 students across 34 schools with nutritious meals which has shown to improve their levels of concentration and academic performance.



We provided educational equipment and resources to 265 orphans in Gaza, 142 children in Iraq, 30 students in Tanzania, 1,000 students in Kenya and 54 students in India. We also continued supporting the teachers and schools in Iraq and India with their staff expenses.

Two rooms were constructed in an orphanage, two classrooms in a girl's school, as well as the Al-Fajar Mosque at Al-Fajar University in Pakistan.

## Ali Asghar Water Appeal

NO OF WELLS 2021 - REGION WISE			
REGION	SHALLOW	DEEP	TOTAL
INDIA	71	14	85
PAKISTAN	230	64	294
KENYA	36	0	36
AFGHANISTAN	5	0	5
TOTAL	342	78	420

- » 420 shallow wells and deep wells were constructed in rural areas of India, Pakistan, Kenya, and Afghanistan.
- » In Gaza, WF-AID repaired the washrooms of a school of 1,528 students and 60 teaching staff and funded a desalination truck to deliver water to 150 families on a monthly basis.
- » In Tanzania, we provided a total of 25 Shallow Wells and 25 deep wells to 11,554 local beneficiaries across the country.
- » In Uganda, we installed 12 Water Wells and repaired 40 boreholes to benefit 9,600 beneficiaries across 4 districts every day.



- » In Kenya, 5 washrooms were constructed for 700 nursery students to utilize. We also helped provide the first deep borehole project for 300 local residents in Kenya's Eastern Province. Additionally, 12 Shallow Wells were constructed for 840 needy villagers and 7,000 beneficiaries were provided with water purification chemicals and oral rehydration salts.
- » In India, WF-AID built 41 washrooms, 17 Submersible Deep Well Pumps, and 16 Shallow Well Hand Pumps.
- » In Afghanistan, 4 wells and a water irrigation plant were funded. We also built one Water Irrigation Plant to benefit 300 farmers in Herat Province.
- » In Pakistan, we provided 91 washrooms and 10 hand pumps, 2 solar submersible water hand pumps, and 4 electric submersible hand pumps. We also provided clean water to 100 Shia families living in a newly built complex in Skardu.





We continued to provide **medical assistance** to two clinics in Tanzania and supported 119 cataract surgeries in Pakistan. We also purchased equipment for the Ali Al-Asghar Eye Clinic run by Al Ayn Charitable Foundation in Baghdad.

Last **winter**, WF-AID worked in 7 countries to provide warm clothes, blankets, coal, heaters, and other warm essentials to beneficiaries around the world. A total of 114,136 quilts were provided in Pakistan and 80,598 people received blankets across India, Bangladesh, Lebanon and Nepal. In addition to this, families were also gifted warm clothing and/or footwear, fuel/gas cylinders.



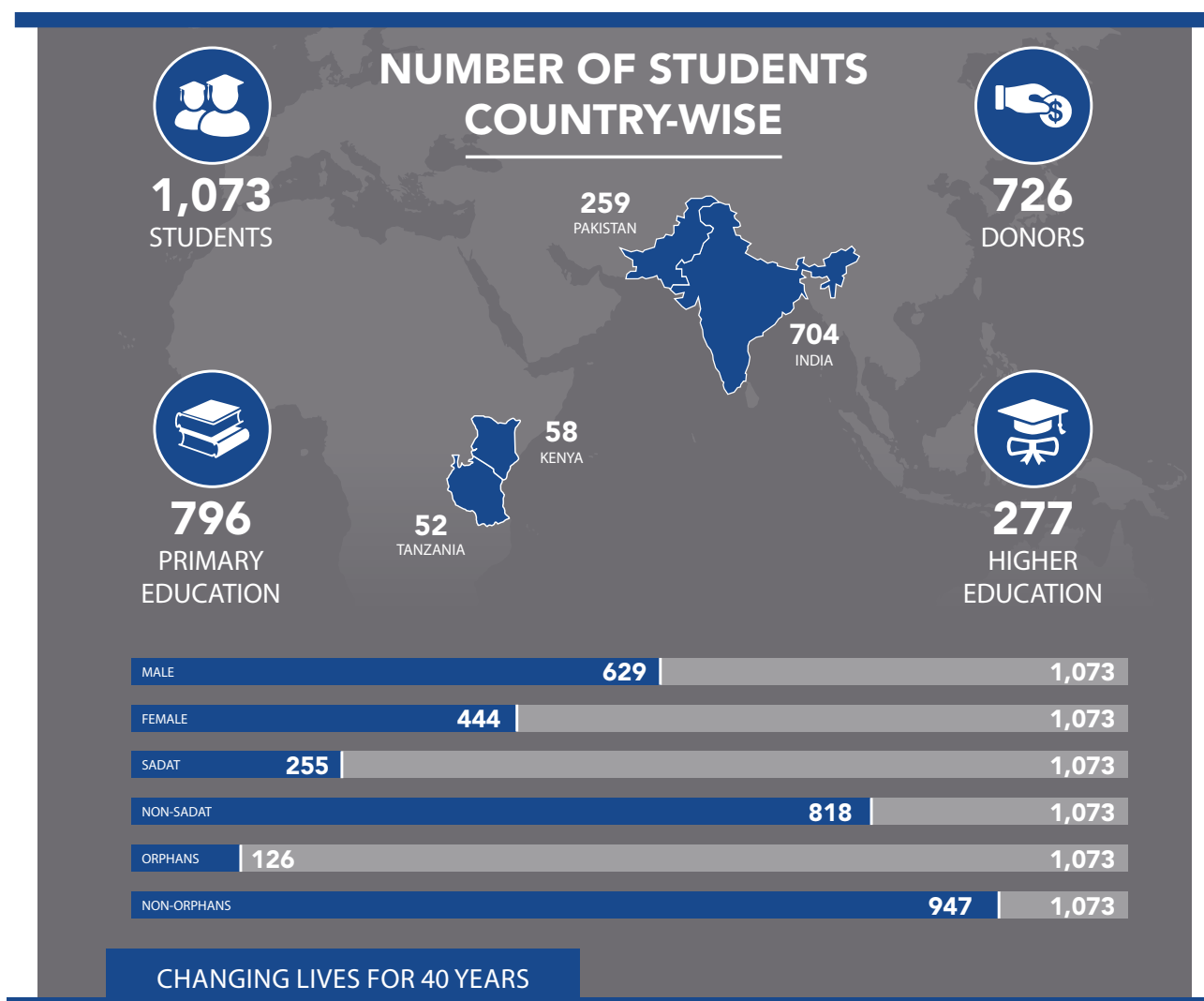
As part of our **Microfinance Projects**, we purchased loader rickshaws for beneficiaries to sustain a living in Pakistan and helped 243 families set up their own businesses in India.

In **Yemen** we were able to distribute 974 food packs, reaching 5,270 people. We supplied medical aid ranging from painkillers to blood sugar strips and antibiotics to 7,000 individuals and built 5 water tanks which provide clean water to 15,750 people for drinking and livestock.



**The Zainabiya Child Sponsorship Scheme (ZCSS)** was launched in 1981 with just 44 donors, and after 40 successful years, ZCSS is currently supported by 726 donors (2020-21). The scheme aims to financially assist the underprivileged and deserving students from low-income families to help them pursue their education. We support 1,073 students altogether, of which, 796 are in Primary Education and 277 are in Higher Education.

With the increase of monthly donations from our donors, we are currently looking into expanding the operations of the ZCSS scheme to support new students in Zanzibar, Pakistan and India.



## Higher Education

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

In Feb 2021, a CV Enhancement Webinar was organised which was informative and beneficial to young students.



In 2021, we financially supported **7 students** translating to **GBP 50,187**, including the **Hiridjee Foundation Loan of GBP 36,777**. Furthermore, we received **GBP 55,638** in 2021 as repayments on previous loans.



# COMMUNITY AFFAIRS

The Community Affairs department arranges projects and activities that enable the Khoja Shia Ithna-Asheri 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, and 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 2021

Know Your World Federation – an interactive session held by Dr Hasnain Walji discussed the objectives and ethos of the founders since the evolution of World Federation since 1976. It was a brainstorming event which depicted the changes and positive lessons learnt over the last 45 years since inception. The event illustrated the vision and transformation by the founders and community leaders dating back to 1932 with goals of progress with path of reform and discipline. Though geographically separated, the Khoja Shia Ithna-Asheri community throughout the centuries has had a common culture and a common heritage.

## 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.

## Pilgrimage Assistance

FREE visas for Zawwar of Imam Husayn (as) during Arbaeen 1443 Given the difficult challenges that were being faced by the Zawwar in obtaining visas as well as to help alleviate the underlying pressure of costs, The World Federation managed to secure and process 1730 visas for our community members in the East to go for Arbaeen 1443. This became a very sought after service with enormous success.



## 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 that gives prominence to peace and human values as taught in the Qur'an and is demonstrated in practice by the Prophet of Islam (saw) and his Holy Household (a).

The Islamic Education Department works to achieve this through a number of projects and activities. 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 (a) in the Khoja community. This was undertaken through the following activities:

### COVID-19 Support

During the COVID-19 pandemic, working with the religious authorities, updated religious guidance was provided in English, French, and Gujarati on burial rites for the deceased.

The COVID-19 Task Force also produced 85 short videos under the 'LINK' brand and hosted 13 live shows, which were broadcasted on The WF social media platforms in 2020 and 2021.



THE COVID-19 TASK TEAM PRODUCED 85 SHORT VIDEOS UNDER THE 'LINK' BRAND AND ALSO HOSTED 13 LIVE SHOWS BROADCASTED ON THE WF SOCIAL MEDIA PLATFORMS IN 2020 - 2021.



### Our Global Family

#OurGlobalFamily campaign was launched during unprecedented times, which aimed to connect globally, as well as network with communities under one umbrella, to discuss the challenges being faced and adequate support was given where it was needed. We invested in our families & friends to ensure they are safe and well by offering financial assistance and spiritual guidance.

LIVE SHOWS

EVERY SUNDAY

02 MAY 2021

REGIONAL REP

SHANEABBAS

RAJANI

HOST

SADIO

DAMANI

#OurGlobalFamily

OUR RESPONSIBILITY

DURING THIS CRISIS

TORONTO

11.00

LONDON

16.00 BST

DAR-ES-SALAAM

18.00

DUBAI

19.00

KARACHI

20.00

MUMBAI

20.30

SYDNEY

01.00 (NEXT DAY)

YOUTH REP

RIDHAE

SHEIKH

SHAYKH

AYYUB

RASHID

WATCH ON YouTube

@WFKSIMC

WATCH ON AHLULBAYT TV

AT 16.00 BST - SKY CHANNEL 787

THE COUNCIL OF

EUROPEAN JAMAATS

THE WORLD

FEDERATION

OF KHUWA RASHIDAH ISLAMIC COMMUNITIES

## OneStopFiqh App

In 2021, a new version of the previous iSistani App was released as the OneStopFiqh App. Completely re-designed with an intuitive layout allowing quick access to rulings, and is linked to the website to ensure regular updates of rulings without the need for an app update. Work is in progress to introduce the AskAnAlim feature to the app, allowing the user to access the database of all of the answered questions.

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## Hawza Online

Hawza Online is an educational initiative taken by The World Federation to introduce to the world the essence of Islamic studies as taught in the great Shia education centres. In essence, the programmes at Hawza Online combine the rich heritage of classical Shi'i scholarship with the latest online learning and teaching methods.



Our first semester commenced on 6th September 2021 with 51 students. Every week, we ran 40 lessons:

- 28 Arabic lessons (live)
- 12 Hawza Studies lessons (pre-recorded)

In addition, live tutorials were conducted every few weeks to supplement the pre-recorded Hawza Studies lessons. The flexible nature of our courses allows students to study at a pace that suits them.



## Marja'iyyah Backing

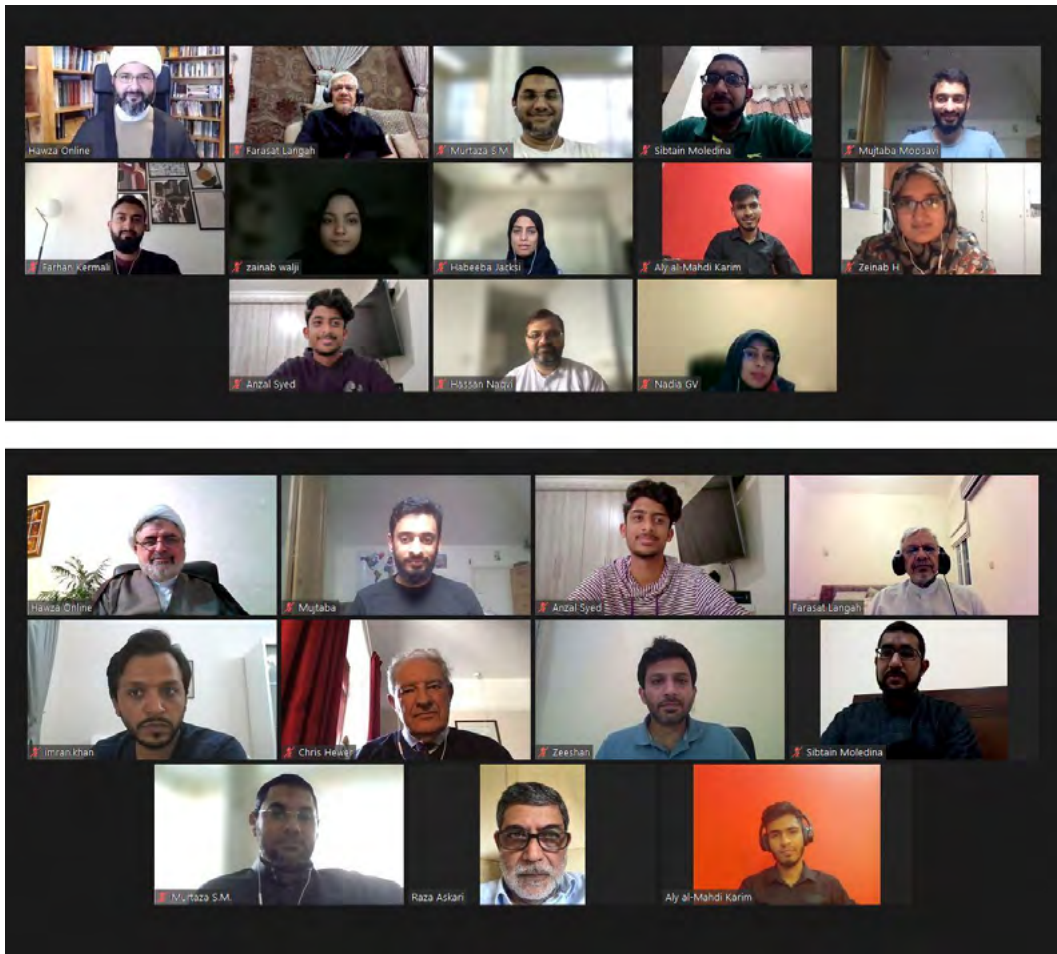
Our programmes have been carefully developed by a team of highly experienced scholars, website developers, and administrators, and the project has the blessing of His Eminence Sayyid Ali Husayni Sistani (may Allah SWT protect our scholars).

## Technology

Our dedicated student portal is accessible on computers and smartphones, enabling students to truly experience a culture of 'learn from anywhere'. The mobile app is available on both Android and IOS devices.

## Hawza Studies

The Hawza Studies programme is delivered through a combination of pre-recorded lessons and live tutorials. The programme consists of over 20 modules spread across 3 levels.



## Arabic

The Arabic programme at Hawza Online has been designed for beginners who wish to learn classical Arabic (fusha). The lessons are live, highly interactive, and use Hawza Online's own textbooks, Fusha Arabic.



## Modules Taught

We ran the following modules in the first semester:

Hawza Studies	
Level 1 (Introductory)	<ul style="list-style-type: none"><li>• Islamic Theology 1</li><li>• Islamic Law 1</li><li>• Islamic Ethics</li><li>• Life of the Prophet (s) – Before Hijrah</li></ul>

Arabic	
<i>Full Option (8 hours / week)</i> Fusha Arabic - Book 1 ( <i>Parts 1 and 2</i> )	<i>Half Option (4 hours / week)</i> Fusha Arabic – Book 1 ( <i>Part 1</i> )

## Faculty

All the modules on our programmes are taught by expert teachers who have not only been through the Hawza system but have decades of experience teaching English-speaking students.

### Sample of Student Feedback

*“My overall experience so far has been amazing, being able to learn from the comfort of your home. It has helped me grow spiritually and given me a better insight on each module that we have learnt so far, The teachers and admin staff have been friendly, helpful, and highly supportive.”*

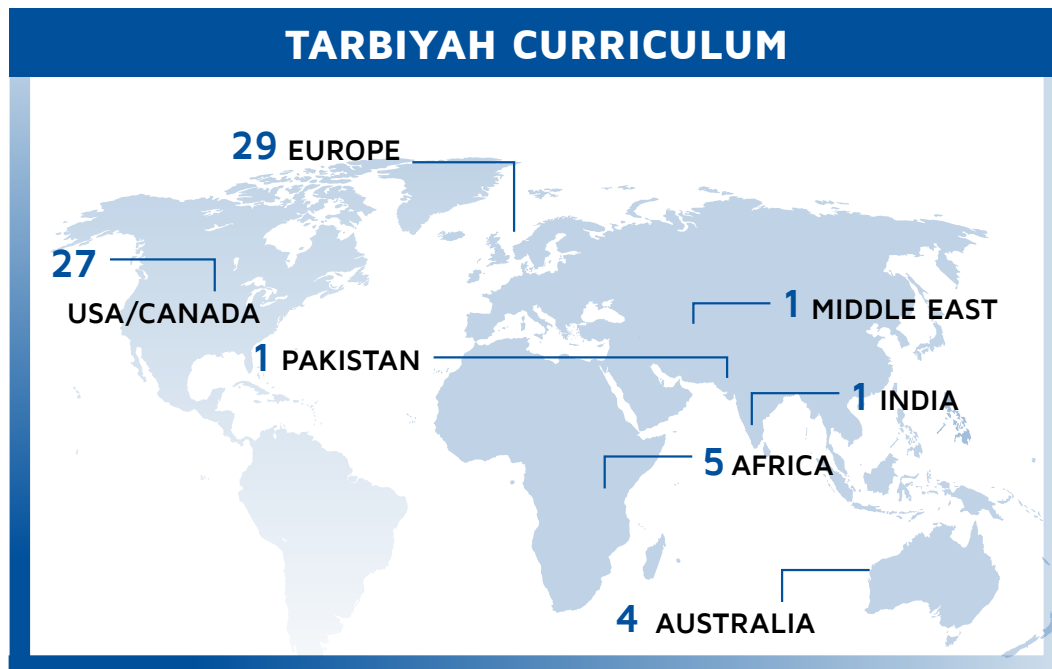
**- Nasima Habib**



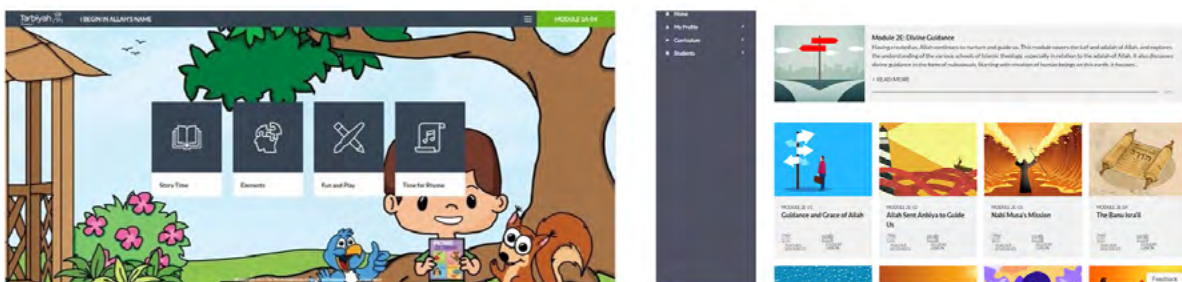
## Madrasah Centre of Excellence (MCE)

MCE has maintained its focus on the four key areas of work, which are:

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



The digital platform for the Tarbiyah curriculum was completed in 2021 and a number of madaris are gradually moving from text books to digital mode. Teacher training programmes throughout the year continued to be delivered both in face-to-face and online formats.



One of the important initiatives that was initiated was a programme for Special Education Needs (SEN) which aims to offer differentiated madrasah syllabus materials and lesson plans to cater for children with a range of learning and communication needs.

Towards the end of the year, MCE became educational partners for The Prince of Believers Exhibition in London. The exhibition showcases the life of Imam Ali (a) and is the most expansive visual exhibition to date. It spans over 25 rooms catapulting the viewer into 95 captivating stations.



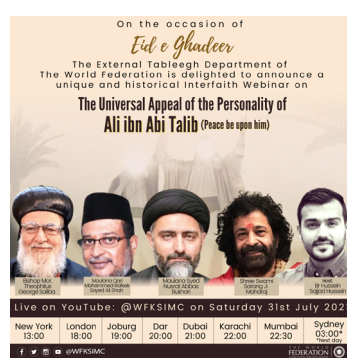
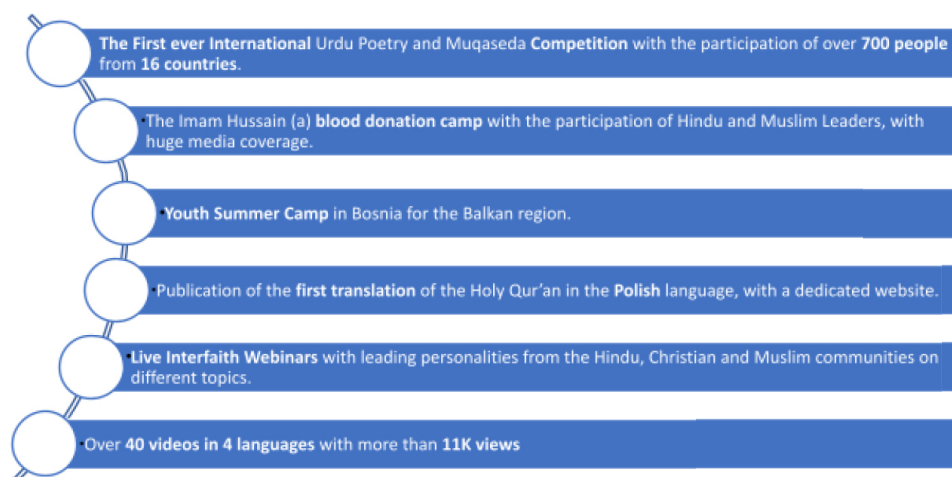


It creates an experience for the visitor to fully immerse themselves into a different world where children and adults learn in ways that they will never forget.

## External Tableegh

The World Federation's External Tableegh Department is dedicated to promote the teachings of the Qur'an and the Ahl al-Bayt (a) in all external communities. The department continues to strive and grow as we have been able to conduct various exciting projects.

In the year 2021, we conducted many noteworthy programs, such as:



The department also had a vast expansion of various religious activities in 5 different regions of Pakistan, benefiting approximately 9,000 children, over 150 adults and 1000+ students.

## Digital Services

The Digital Services function was established to support the activities of the other functions of IE by optimising the opportunities afforded by computer-mediated technologies.

In order to reach a wider audience and expand our online presence, we have been creating short videos on various Islamic topics in collaboration with a number of Scholars. In 2021, we produced a total of **19 videos** and **30 podcasts** across the year, which were shared on all our social media platforms.

The team produced:

- » Fatimiyyah - Islamic Lessons from The sermon of Fadak: **3 videos**.
- » Month of Ramadan – Journeying our eyes through the Qur'an - **30 podcasts**.
- » Muharram and Safar - "LABBAYKA YA HUSAYN! LABBAYKA YA MAHDI!" **9 inspirational videos series**.
- » Islamic Guidance on Handling the dead body during COVID-19 - A set of 6 videos were produced demonstrating how to carry out the burial rituals for the dead during the current pandemic.
- » COVID Precaution **video** - The path to remaining safe – COVID-19 guidelines by Shaykh Nuru Muhammad.

## Research and Publications

During 2021, IE commissioned approximately **thirty research projects**, which included short and long articles on various topics to different scholars and institutions. These resources will be released in English in a scholarly journal, which will be launched by the IE Research Centre in 2022.

## Conferences and Seminars

A new activity under this function is organising academic seminars and conferences. A LIVE event Conference was held in November titled: "Shia Theology: Beliefs and Methodologies", that addressed many pertinent issues that the community is being challenged with.

**Shia Theology: Beliefs & Methodologies**

**SPECIAL ADDRESS**  
HIS EMINENCE  
AYATULLAH SHAYKH JA'FAR SUBHANI

**VENUE:**  
**NORTHWOOD SCHOOL**  
Pinner Rd, Northwood HA6 1QN  
ON **SUNDAY, 28<sup>TH</sup> NOV 2021**  
Registration at 9am (UK)  
(Face Masks Compulsory)

**CHAIRPERSON:**  
ALEXANDER KHALEELI

**QURAN/RECITATION:**  
SAYED JALAL MASOOMI

**RECITATION:**  
MULLA NAZAR AL QATARI

**Speakers:**  
SAYYED MUNIR AL KHABBAZ  
SHAYKH DR. ALI AL HAKIM  
SHAYKH DR. VINAY KHETIA  
SHAYKH DR. MOHAMMED ALI ISMAIL  
DR. MAHJABEEN DHALA

**REGISTER TO ATTEND:**  
<https://lnk.worldfed.org/RegisterLiveEvent>

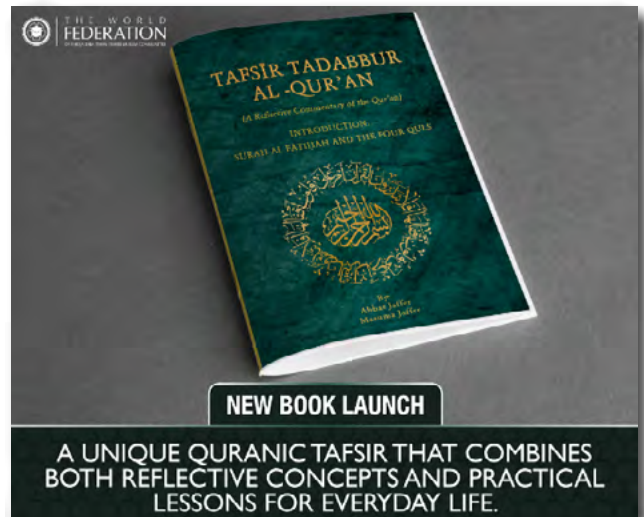
**Timetable:**  
01:30 - PST    04:30 - EST  
09:30 - London    12:30 - Dar es Salaam  
13:30 - Dubai    14:30 - Pakistan  
15:00 - India    20:30 - Sydney

**WATCH LIVE ON** **YOUTUBE @WFKSIMC**  
[www.world-federation.org](https://www.world-federation.org)

**THE WORLD FEDERATION**

## 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 2021, publications included:





# FINANCIAL REVIEW & STATEMENTS

## Financial Review

Total income has increased by £2,395,319 and the Resources Expended decreased by £1,044,113 A summary of these results is shown on the Financial Statements attached to this report.

Khums donations are likely to decline as a result of lower earnings and the deteriorating economic conditions globally.

## 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 of Khoja Shia Ithna-Asheri Muslim Communities 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 Reviews of compliance, reporting and governance procedures for any projects undertaken with partners / agencies in 'at risk' jurisdictions. Furthermore, sending out 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 restrictions, but will resume as soon as circumstances permit.

### **Risk Identified:**

Reputational risk of constituent members i.e. members of members having negative PR 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.

## **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.

## **Grant Making Policies**

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.

## **Internal Audit**

The Trustees have initiated a scheme of periodic internal audits, undertaken by an independent international business assurance provider specialising in internal auditing. The Charity takes learnings from these audits and implements recommendations to continuously improve processes.

## **Reserves Policy**

The level of total funds held at the end of the year was £11,267,770. The restricted funds at the year-end were £2,057,015.

£3,140,465 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 yearend. 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 £249,000. The actual free reserves at the year-end were £964,006.

Free reserves continue to be in excess of the required target amount and therefore the Trustees are considering ways of investing the surplus reserves.

## 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.

## Looking Ahead

Internal processes, systems, policies and frameworks will continue to be strengthened, and the intention is to institute a regular cycle of audits across the charity's activities.

WF-AID, the department focussing on humanitarian aid, will continue to respond to humanitarian need, and engage grassroots and the community.

Efforts on spiritual growth will widen in Digital Services which aim to harness the power of what technology has to offer. As an example of many, during 2021, an online seminary was launched to make spiritual scholarship more easily accessible. We look forward to expand on this digital journey.

## Conclusions

During the period 1 January 2021 - 31 December 2021, 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 2021. This report was approved by the board of trustees on 26 October 2022 and signed on its behalf by:

*Arifali Hirji*

**Arifali Hirji** - Trustee  
Secretary General

**Date:** 26 October 2022

# 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 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated 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 group's and of the parent charity's affairs as at 31 December 2021 and of the group's and parent 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.

# Independent Auditor's Report

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 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 14, 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.



# Independent Auditor's Report

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. Audit procedures performed by the engagement team included: 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

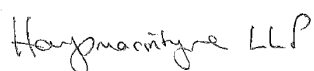
## Inherent Limitations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

# Independent 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  
Statutory Auditors  
Date: 27/10/2022

10 Queen Street Place,  
London  
EC4R 1AG

# Consolidated Statement of Financial Activities

FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 Restricted Funds £	2021 Unrestricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	2	1,061,580	11,852,788	12,914,368	10,506,386
Investments	3	-	20,859	20,859	33,522
<b>TOTAL</b>		<b>1,061,580</b>	<b>11,873,647</b>	<b>12,935,227</b>	<b>10,539,908</b>
<b>EXPENDITURE ON:</b>					
Charitable activities:	4				
Health		14,000	841,389	855,389	47,675
Relief		84,839	5,120,645	5,205,484	6,576,210
Advancement of Education		721,675	3,633,247	4,354,922	4,836,023
<b>TOTAL</b>		<b>820,514</b>	<b>9,595,281</b>	<b>10,415,795</b>	<b>11,459,908</b>
<b>NET (EXPENDITURE)/ INCOME</b>		<b>241,066</b>	<b>2,278,366</b>	<b>2,519,432</b>	<b>(920,000)</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>241,066</b>	<b>2,278,366</b>	<b>2,519,432</b>	<b>(920,000)</b>
<b>Total funds at 1 January 2021</b>		<b>1,815,949</b>	<b>6,932,389</b>	<b>8,748,338</b>	<b>9,668,338</b>
<b>TOTAL FUNDS AT 31 DECEMBER 2021</b>		<b>2,057,015</b>	<b>9,210,755</b>	<b>11,267,770</b>	<b>8,748,338</b>

The accompanying notes form an integral part of these accounts.

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

# Consolidated Balance Sheet

AS AT 31 DECEMBER 2021

		2021		2020	
	NOTES	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		616,365		669,176
Investment properties	12		834,781		834,781
Investments in associates	13b		3,655,138		3,655,138
			<u>5,106,284</u>		<u>5,159,095</u>
<b>CURRENT ASSETS</b>					
Debtors	14	803,603		946,626	
Cash at bank		6,118,971		3,567,508	
		<u>6,922,574</u>		<u>4,514,134</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(761,088)</u>		<u>(924,891)</u>	
<b>NET CURRENT ASSETS</b>			<u>6,161,486</u>		<u>3,589,243</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,267,770</u>		<u>8,748,338</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>-</u>		<u>-</u>
<b>NET ASSETS</b>			<u>11,267,770</u>		<u>8,748,338</u>
<b>FUNDS</b>					
Restricted Funds	17		2,057,015		1,815,949
General Funds			6,070,290		4,768,715
Designated Funds			3,140,465		2,163,674
<b>TOTAL FUNDS</b>			<u>11,267,770</u>		<u>8,748,338</u>

The financial statements were approved and authorised for issue by the Board the Trustees on 26 October 2022 and were signed below on its behalf by:

Safder Jaffer  
Safder Jaffer  
President

Zaffarali Khakoo  
Zaffarali Khakoo  
Hon. Treasurer

Sajjad Rajan  
Sajjad Rajan  
Hon. Assistant Treasurer

The accompanying notes form an integral part of these accounts.



# Charity Balance Sheet

AS AT 31 DECEMBER 2021

		CHARITY 2021		CHARITY 2020	
	NOTES	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		616,365		669,176
Investment properties	12		834,781		834,781
Investments in subsidiary undertakings	13a		1		1
Investments in associates	13b		3,655,138		3,655,138
			<u>5,106,285</u>		<u>5,159,096</u>
<b>CURRENT ASSETS</b>					
Debtors	14	1,153,933		946,625	
Cash at bank		<u>6,118,971</u>		<u>3,567,508</u>	
		7,272,904		4,514,133	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(761,088)</u>		<u>(924,891)</u>	
<b>NET CURRENT ASSETS</b>			<u>6,511,816</u>		<u>3,589,242</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			11,618,101		8,748,338
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>-</u>		<u>-</u>
<b>NET ASSETS</b>			<u>11,618,101</u>		<u>8,748,338</u>
<b>FUNDS</b>					
Restricted Funds	17		2,057,015		1,815,949
General Funds			6,420,621		4,768,715
Designated Funds			<u>3,140,465</u>		<u>2,163,674</u>
<b>TOTAL FUNDS</b>			<u>11,618,101</u>		<u>8,748,338</u>

The financial statements were approved and authorised for issue by the Board the Trustees on 26 October 2022 and were signed below on its behalf by:

Zaffarali Khakoo

**Zaffarali Khakoo**  
Hon. Treasurer

The accompanying notes form an integral part of these accounts.

# Consolidated Statement of Cash Flow

AS AT 31 DECEMBER 2021

	2021 £	2020 £
<b>Cash flows from operating activities:</b>		
Net cash (used in)/provided by operating activities	2,530,604	(1,387,046)
<b>Cash flows from investing activities</b>		
Dividends and interest	20,859	33,522
Payments to purchase investments	-	(14,989)
Payments to purchase investment properties	-	(9,031)
Payments to acquire tangible fixed assets	-	(4,482)
Net cash (used in)/provided by investing activities	20,859	5,020
Change in cash and cash equivalents in the reporting period	2,551,463	(1,382,026)
Cash and cash equivalents at the beginning of the reporting period	3,567,508	4,949,534
Cash and cash equivalents at the end of the reporting period	6,118,971	3,567,508

## NOTES TO THE STATEMENT OF CASH FLOWS

### (A) Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities:

Net movement in funds:	2,519,432	(920,000)
Depreciation charges of tangible fixed asset	52,811	49,696
Decrease in debtors	143,023	35,568
(Decrease)/Increase in creditors	(163,803)	(518,788)
Dividends, interests and rents from investments	(20,859)	(33,522)
Net cash (used in)/provided by operating activities	2,530,604	(1,387,046)

### (B) Analysis of Cash and Cash equivalents

6,118,971	3,567,508
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2021

### 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 Companies Act 2006.

The Charity meet 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. Investment 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 2021 £	TOTAL FUNDS 2020 £
Donations	12,653,686	10,247,508
Legacies	20,043	16,693
Subscriptions	350	550
Gift Aid reclaimed	201,939	208,931
Management charges	23,330	19,264
Books and CD sales	15,020	13,440
	<u>12,914,368</u>	<u>10,506,386</u>

Included in above are restricted donations of £1,061,580 (2020: £913,748). All other income in both years was unrestricted.

## 3. INVESTMENT INCOME – UNRESTRICTED FUNDS

	Total Funds 2021 £	TOTAL FUNDS 2020 £
Rental income	19,171	15,864
Bank interest	1,688	17,688
	<u>20,859</u>	<u>33,522</u>

## 4. EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Grants Payable £	Other Support Costs £	Governance Cost £	Total Funds 2021 £
Health	-	-	855,389	3,671	693	859,753
Relief	166,866	393,494	4,307,391	246,327	87,042	5,201,120
Advancement of Education	180,771	426,285	3,115,574	566,105	66,187	4,354,922
	<u>347,637</u>	<u>819,779</u>	<u>8,278,354</u>	<u>816,103</u>	<u>153,922</u>	<u>10,415,795</u>

## COMPARATIVE PERIOD

	Direct Staff Costs £	Direct Other Costs £	Grants Payable £	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
	<u>270,357</u>	<u>591,877</u>	<u>9,727,766</u>	<u>817,937</u>	<u>51,971</u>	<u>11,459,908</u>

## 5. ALLOCATION OF OTHER SUPPORT COSTS

	Staff £	Premises £	Office £	Governance £	2021 Total Funds £
Relief	154,030	17,945	78,023	87,735	337,733
Advancement of Education	166,866	19,613	379,626	66,187	632,292
	<u>320,896</u>	<u>37,558</u>	<u>457,649</u>	<u>153,922</u>	<u>970,025</u>

## COMPARATIVE PERIOD

	Staff £	Premises £	Office £	Governance £	2020 Total Funds £
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
	<u>227,182</u>	<u>22,281</u>	<u>568,474</u>	<u>51,971</u>	<u>869,908</u>

Support costs have been allocated to direct activities based on the total direct costs of each function.

## 6. GRANTS TO INDIVIDUALS

	Number	Total Funds 2021 £	Number	Total Funds 2020 £
Health	0	-	2	1,000
Relief	52	124,331	283	2,316,822
Advancement of Education	23	2,064,317	191	117,931
	<u>75</u>	<u>2,188,648</u>	<u>476</u>	<u>2,435,753</u>

## 7. GRANTS TO INSTITUTIONS

	Total Funds 2021 £	Total Funds 2020 £
Health	855,389	42,762
Relief	4,183,060	3,210,950
Advancement of Education	1,051,257	4,038,301
	<u>6,089,706</u>	<u>7,292,013</u>



## Significant grants awarded to institutions include:

	2021 £	2020 £
Africa Federation	1,147,834	1,577,876
Imamia Education & Welfare Trust	868,467	-
Anjuman Samaji Bahbood	688,049	188,430
Jabir Bin Hayyan Trust	425,615	-
Hussaini Foundation	424,477	554,824
KSI (South London) Jamaat	221,647	958,563
Safina Childrens Home	202,193	-
Council of All KSI Jamaats India Fed	179,012	269,218
Centres for Health & Education Programme	174,989	-
Al Khoie Foundation	146,429	-
Husaini Education & Welfare Society Trust	144,952	149,234
Council of European Jamaats - COEJ	141,728	2,112,302
MKSIA of Essex	128,773	-
Orison Charitable Trust	90,265	248,840
Imam Al Sadr Foundation	29,223	224,709
Mainstay Foundation	-	82,336
MKSI Peterborough	-	206,443
Al-Basaer Charitable Development	-	270,945
Alyatem	-	127,6929
Khoja (Pirbhai) Shia Isna Asheri Jamaat	-	80,000
Al Imam AsSajad Foundation	-	93,397
Dar Al Zahra School	-	99,693
	<u>5,013,653</u>	<u>7,244,502</u>

## 8. GOVERNANCE COSTS

	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
Auditor's remuneration – audit fees (including VAT)	25,200	22,800
Auditor's remuneration – accountancy fees (including VAT)	5,580	4,080
Legal and professional fees	12,371	1,647
Staff costs	110,771	23,444
	<u>153,922</u>	<u>51,971</u>

## 9. NET (EXPENDITURE)/INCOME

	2021 £	2020 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
- Owned by the Charity	52,811	49,696
Auditors' remuneration		
- Audit (excluding VAT)	21,000	19,000
- Prior year audit fees under-charged	6,000	3,000
- Accountancy fees (excluding VAT)	4,650	3,400
	<u>84,861</u>	<u>75,096</u>

## 10. STAFF COSTS

2021	2020
£	£

Staff costs were as follows:

Wages and salaries	463,240	349,725
Social security costs	178,550	150,582
Pension	26,742	20,676
	<u>668,532</u>	<u>520,983</u>

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

	No.	No.
Education	9	6
Health	2	5
Administration	6	4
	<u>17</u>	<u>15</u>

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 2021, there were no reimbursements to trustees for travel and subsistence expenses. (2020: £1,715 to 3 Trustees).

During the year donations from trustees totalled £184,665 (2020: £295,416).

One trustee also donated funds through an entity where he is a director - Total amounts donated in 2021 were £5,260 (2020 :£nil).

During the year, no Trustees received any remuneration or any benefits in kind (2020 - £Nil)

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 2021	651,145	75,175	157,156	863,476
Additions	-	-	-	-
At 31 December 2021	651,145	75,175	157,156	863,476
<b>DEPRECIATION</b>				
At 1 January 2021	130,229	45,903	38,169	214,301
Charge for the year	13,023	8,356	31,431	52,810
At 31 December 2021	143,252	54,259	69,600	267,111
<b>NET BOOK VALUE</b>				
At 31 December 2021	507,893	20,916	87,556	616,365
At 31 December 2020	520,916	29,273	118,987	669,176

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

## 12. INVESTMENT PROPERTY

	2021 £	2020 £
<b>Market Value</b>		
At 1 January 2021	825,750	825,750
Additions	-	9,031
Revaluation (loss)/gain	-	-
At 31 December 2021	825,750	834,781

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

	2021 £	2020 £
100% ordinary share capital of WF Digital Limited	1	1
Registered in England & Wales (Company number: 13105408)	-	-
100% ordinary share capital of KSIMC Residential Investments Limited	-	100
KSIMC Residential Investments Ltd reclassified as an Associate	-	(100)
	1	1

The Charity holds 100% of the issued share capital of WF Digital Limited, a company registered in England and Wales. The Company was registered on 30 December 2020 and was dormant in the period ended 31 December 2020. At 31 December 2021 the share capital and net assets of WF Digital Limited were as follows:

Net liabilities at 31 December 2021	£348,079
Income for the year	£20,958
Expenditure for the year	£369,038
Deficit for the year	£348,080

### 13 b. INVESTMENT IN ASSOCIATE

	2021 £	2020 £
KSIMC Residential Investments Ltd – A shares	50	50
KSIMC Residential Investments Ltd – B shares	38	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>3,655,138</u>

### 14. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Amounts due in within one year</b>				
Loans to individuals	20,570	114,930	20,570	114,930
Loans to Charitable organisations	386,911	178,727	386,911	178,727
Other debtors	22,386	339,713	372,716	339,713
Prepayments	1,027	1,273	1,027	1,273
	<u>430,894</u>	<u>634,643</u>	<u>781,224</u>	<u>634,643</u>
<b>Amounts due in more than one year</b>				
Loans to Charitable organisations	372,709	311,982	372,709	311,982
	<u>803,603</u>	<u>946,625</u>	<u>1,153,933</u>	<u>946,625</u>

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

	Group and Charity 2021 £	Group and Charity 2020 £
Other creditors	355,255	660,427
Trade creditors	383,993	237,784
Accruals	21,840	26,680
Other taxation and social security	-	-
	<u>761,088</u>	<u>924,891</u>



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

	Group and Charity 2021 £	Group and Charity 2020 £
Other creditors	-	-
	-	-

## 17. STATEMENT OF FUNDS

	BROUGHT FORWARD 01/01/2021 £	INCOME £	EXPENDITURE £	TRANSFERS £	CARRIED FORWARD 31/12/2021 £
<b>DESIGNATED FUNDS</b>					
Khums	466,721	3,542,359	(3,271,651)	-	737,429
WF-AID	1,527,468	6,038,961	(5,382,975)	-	2,183,454
Education	24	28,415	(28,439)	-	24
Huqooq	169,461	302,595	(252,474)	-	219,582
	<u>2,163,674</u>	<u>9,912,330</u>	<u>(8,935,539)</u>	<u>-</u>	<u>3,140,465</u>
<b>UNRESTRICTED FUNDS</b>					
General Fund	4,768,715	1,961,317	(659,742)	-	6,070,290
<b>Total Unrestricted Fund</b>	<u>6,932,389</u>	<u>11,853,647</u>	<u>(9,595,281)</u>	<u>-</u>	<u>9,210,756</u>
<b>RESTRICTED FUNDS</b>					
R. Hiridjee (MARC) Foundation Fund	467,324	-	(13,024)	-	454,300
Capital Projects Fund	480	325,754	(306,588)	-	19,646
Africa Federation Education	28,464	67,160	(79,400)	-	16,224
Mogadishu Fund	730,942	-	-	-	730,943
Amanat Trust Fund	382,796	329,847	(200,301)	-	512,342
Mamas	240	120	-	-	360
Zainabiya Child Sponsorship Scheme	188,823	328,772	(221,201)	-	296,393
Yasir Asir Sponsorship Scheme	16,880	9,927	-	-	26,807
	<u>1,815,949</u>	<u>1,061,580</u>	<u>(820,514)</u>	<u>-</u>	<u>2,057,015</u>
<b>Total Funds for the Charity</b>	<u>8,748,338</u>	<u>12,935,227</u>	<u>(10,415,795)</u>	<u>-</u>	<u>11,267,770</u>

## 17. STATEMENT OF FUNDS

	BROUGHT FORWARD 01/01/2020 £	INCOME £	RESTATED EXPENDITURE £	RESTATED TRANSFERS £	CARRIED FORWARD 31/12/2020 £
<b>DESIGNATED FUNDS</b>					
Khums	378,991	3,849,399	(3,761,669)	-	466,721
WF-AID	1,154,271	2,863,714	(2,490,493)	(24)	1,527,468
Capital Projects Fund	1,496,000	-	-	(1,496,000)	-
Education	-	-	-	24	-
Huqooq	155,127	282,165	(267,831)	-	169,461
	<u>3,184,389</u>	<u>6,995,278</u>	<u>(6,519,993)</u>	<u>(1,496,000)</u>	<u>2,163,674</u>
<b>UNRESTRICTED FUNDS</b>					
General Fund	4,032,203	1,277,982	33,473	(574,943)	4,768,715
<b>Total Unrestricted Funds</b>	<u>7,216,592</u>	<u>8,273,260</u>	<u>(6,486,520)</u>	<u>(2,070,943)</u>	<u>6,932,389</u>
<b>RESTRICTED FUNDS</b>					
R. Hiridjee (MARC) Foundation Fund	16,445	-	(13,023)	463,902	467,324
Capital Projects Fund	-	1,389,157	(2,884,677)	1,496,000	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	(1,214,046)	-	382,796
Education	17,871	20,236	(38,107)	-	-
Mamas	120	120	-	-	240
Zainabiya Child Sponsorship Scheme	42,601	256,892	(110,670)	-	188,823
Yasir Asir Sponsorship Scheme	6,639	10,241	-	-	16,880
	<u>2,451,746</u>	<u>2,266,648</u>	<u>(4,973,388)</u>	<u>2,070,943</u>	<u>1,815,949</u>
<b>Total Funds for the Charity</b>	<u>9,668,338</u>	<u>10,539,908</u>	<u>(11,459,908)</u>	<u>-</u>	<u>8,748,338</u>

The 2020 comparatives transfers were restated to reflect the correct transfers made between funds. The position in total is unchanged.

## Transfers

Transfers during 2020 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.

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.

Capital Projects Fund – This funds is used for building community centres & mosques all over the world.

Health - This fund is 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 - Funds used for investment, where the income generated should be utilised on education and tabligh (Islamic education) projects.

Amanat Trust - Third-party funds held on behalf of donors to be utilised for charitable purposes in accordance to their instructions.

Education - This fund is 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) - This scheme is aimed at supporting education of children and youth in Africa.

Zainabiya Child Sponsorship Scheme (ZCSS) - This Scheme is 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 - This is a scheme is 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

	2021 RESTRICTED FUNDS £	2021 UNRESTRICTED FUNDS £	2021 TOTAL FUNDS £
Tangible fixed assets	-	616,365	616,365
Investments	-	4,489,919	4,489,919
Current assets	2,057,015	4,865,559	6,922,574
Creditors due more than one year	-	(761,088)	(761,088)
	<u>2,057,015</u>	<u>9,210,755</u>	<u>11,267,770</u>

## ANALYSIS OF NET ASSETS BETWEEN FUNDS - COMPARATIVE

### BETWEEN FUNDS CHARITY

	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	-	-	-
	<u>1,815,949</u>	<u>6,932,389</u>	<u>8,748,338</u>

## 19. OPERATING LEASE COMMITMENTS

	2021 £	2020 £
At 31 December 2021, the charity's future minimum operating lease payments are as follows:		
Less than 1 year	1,110	1,082
1-2 years	-	1,110
2-5 years	-	-
	<u>1,110</u>	<u>2,192</u>



# TRUSTEES REPORT

2021



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