

# Annual Report and Financial Statements

for the year ended 5 April 2021



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# Chairman's Statement

For The Year Ended 5 April 2021



Haroon Sheikh, Chair of Trustees

Last year's Annual Report focussed on the significant challenges and demands placed on the communities on which the Foundation focuses brought about by the COVID-19 pandemic. Little did most of us suspect that, a year on, so many communities across the world would continue to be facing these same issues.

Like last year, my colleague trustees and I are grateful that we have been in a position to provide some support to those suffering in those communities. The strong partnerships that we have developed over the last decade and beyond with vital organisations rooted in these communities have been essential to our work and I pay special tribute to all of those working in and supporting our charitable partners.

In 2020, thanks to our clear strategy and powerful partners, we are thrilled that a staggering 505,207 people have benefitted from COSARAF Foundation-funded projects. Across our three priorities - promoting strong and cohesive communities, enabling young people to realise their potential, empowering women and girls – we deliberately seek to provide a mix of interventions, from high-volume and immediate relief through to focused long-term relief.

As set out in more detail in our last Impact Report, produced in partnership with independent experts at Bean Research, the impact of our programmes also continues to be significant. In addition to the incredibly important emergency and immediate relief provided, the Impact Report highlights that our programmes delivered substantive change to the life chances of 62,000 beneficiaries and that we can already demonstrate that a further 1,381 lives were transformed for the long term.

This year's report sets out many fantastic examples of the difference our partners are making and the impact on the lives of individuals that their work has touched. These examples demonstrate that, notwithstanding the most difficult of challenges, there is cause for optimism. However intractable issues may seem and the barriers to be overcome so significant, these examples reveal the ingenuity, commitment and determination of good people across the globe to make a better future for us all.

As ever, I am indebted to my colleague trustees, our supporters and the efforts of our hard-working staff team without whom none of the Foundation's achievements would be possible. All of us recognise how very fortunate we are to be able to help those whose lives can be so very difficult and it is to these individuals to whom I extend my greatest thanks.

**Haroon Sheikh**  
Chair of trustees



# Objectives and Activities

## Our purposes

The following is a summary of the Foundation's purposes as set out in full in its governing document and as available on the Charity Commission register at <https://www.gov.uk/find-charity-information>.

## Our aims and the difference we seek to make

The trustees have determined that the Foundation's work by which to deliver public benefit in relation to its Objects should be focused on the following three key objectives:

### Enabling young people to realise their potential

- Supporting those that cannot afford an education and encouraging entrepreneurship amongst young people from disadvantaged backgrounds
- Supporting young people to develop their skills and take advantage of opportunities that would not be available to them otherwise due to their backgrounds
- Supporting orphans and those growing up without parental support.

### Promoting strong and cohesive communities

- Supporting projects that promote equality and integration within society.
- Supporting individuals/organisations that encourage religious tolerance and freedom to practise religious beliefs.

### Empowering women and girls

- Supporting women and girls through skills development
- Supporting women and girls facing abuse, discrimination and disadvantage
- Supporting widows and the bereaved in hardship

The trustees recognise that these objectives will often require the provision of health, education, basic needs and other related provision to those without access to such.

The trustees have further confirmed that the Foundation's support should be devoted to supporting those in need in the UK and in developing countries overseas, particularly Africa (especially East Africa) and South East Asia.

## Our strategies for achieving our aims and objectives

The Foundation delivers its key objectives through the following grant-making vehicles:

### Major Grants

In considering the Foundation's operational model, the trustees acknowledge the value of working with trusted third parties to deliver projects in line with its priorities to maximise the impact of its support and where other organisations have greater expertise.

Hardship Grants	Small Grants	Scholars' Fund	Ramadan Projects
The Foundation administers a small grants and donations programme to support individuals in need.	The trustees will, from time to time, choose to make small grants – normally one-off - to trusted third parties by which to further the Foundation's Objects.	Small grants for undergraduate Muslim home students in significant financial need.	In line with the Islamic values of the Foundation's trustees, a separate funding pot has been established for distribution to projects during the holy month of Ramadan.

The Foundation's Grant-Making Policy sets out the approach and procedures by which trustees will assess all applications for grants, which are received via an open online application process. The most significant of the Foundation's grants (in terms of both spend and complexity) are its Major Grants. The Grant-Making Policy establishes that when the Foundation considers supporting a third party through its Major Grants programme, the following criteria should be met:

- distinctive and innovative projects where the Foundation is driving long-term change to deliver one or more of the Foundation's strategic objectives;
- developing sustainable change or business models;
- leveraging wider support; and,
- clear recognition for the Foundation's role in order to support its wider strategic priorities and vision.

Hardship grants are available for UK residents only and are available to individuals who can demonstrate that they are suffering clear financial hardship or do not have the financial means for essential expenditure. Trustees prioritise:

- families over individuals;
- the most financially excluded people; and,
- items that will make the most difference.

The Foundation administers both Zakat and non-Zakat funds, in line with the trustees' Grant-Making Policy and Zakat Distribution Policy. Zakat funds are those donations made in line with Islamic obligations for charitable giving.



## Zakat Audit and Review

Each year the Foundation conducts an audit and review of its Zakat grants which is carried out independently by Mufti Faraz of Amanah Advisors, Global Islamic Finance and Fintech Services. The main objectives of the audit are to:

- Evaluate the adequacy and effectiveness of the implementation of the Foundation's Zakat Policy by the Foundation; and
- Conduct a review of all agreements to ensure Zakat principles are adhered to.
- Assess and highlight any Zakat non-compliance risks in the current projects.

The results of the 2020 Audit show that, overall, the design and operating effectiveness of Zakat controls are satisfactory to fulfil the Shariah requirements for Zakat. The review stated that:

**"There has been great progress in developing the Zakat governance in the Foundation and application of the Zakat principles and policy over the last few years."**

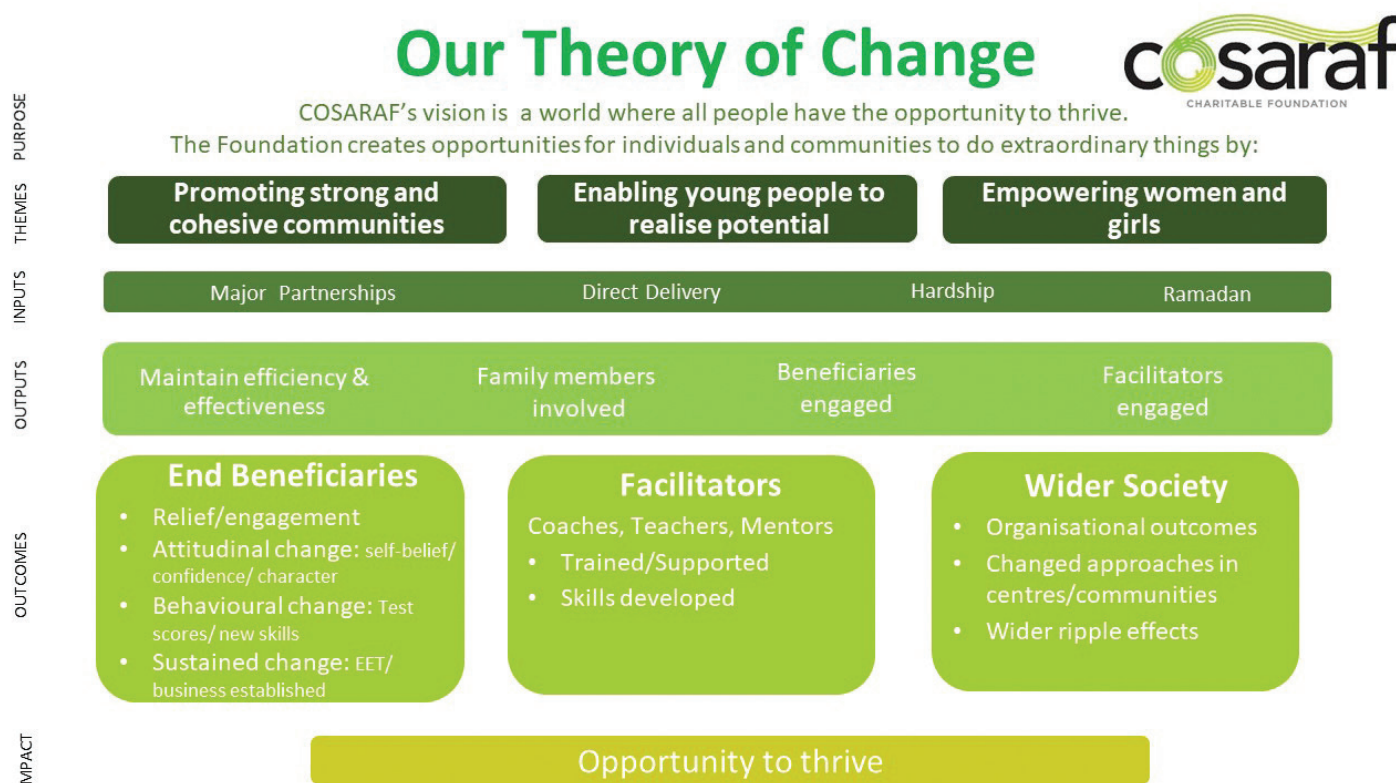




## How we measure success

With the support of Bean Research, the Foundation established its Theory of Change last year and accompanying Impact Assessment Framework. A Theory of Change is a powerful tool, particularly for social impact organisations, to describe the need an organisation is trying to address, the changes it wants to realise and the activities that it will deliver to create these changes. A good Theory of Change can provide a clear and succinct encapsulation of the purpose of the organisation and how every aspect of its work contributes to delivering its vision. Crucially, a Theory of Change should underpin a robust impact assessment methodology.

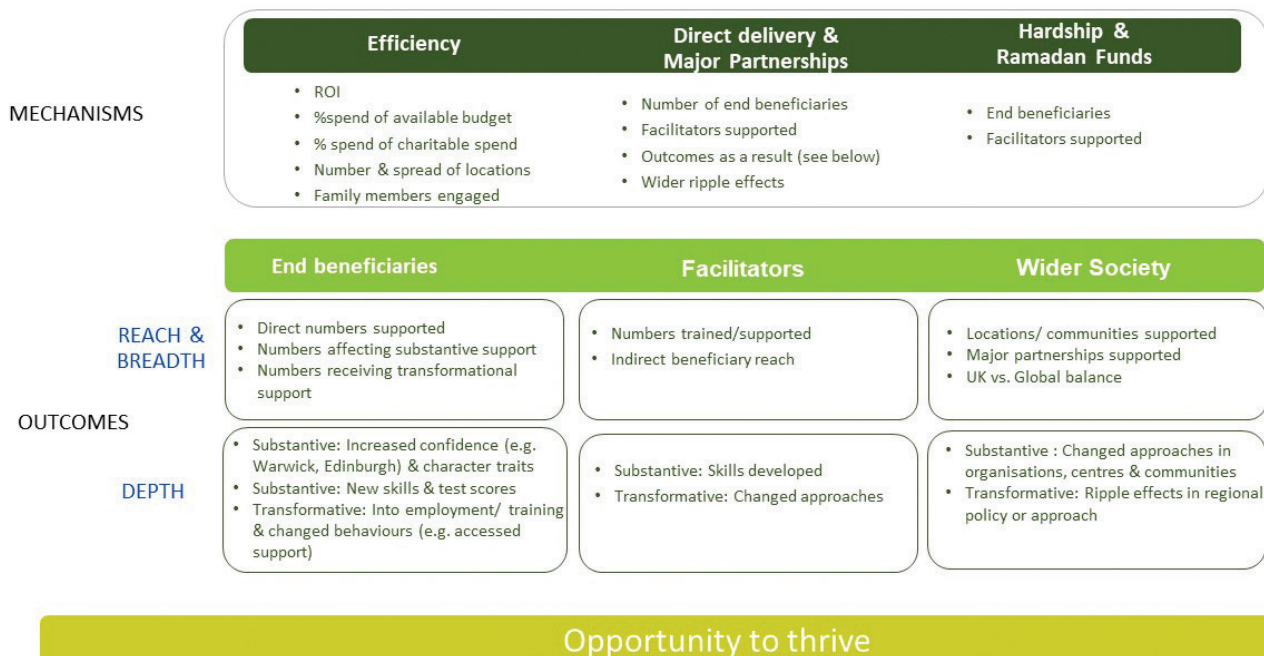
Our Theory of Change is set out in the schematic below, which seeks to articulate the value that the Foundation can provide in supporting **"A world where all people have the opportunity to thrive."**



**"A world where all people have the opportunity to thrive."**

Sitting below the Theory of Change is the Foundation's new Impact Assessment Methodology, which provides a common set of indicators by which we assess the impact of the Foundation's work. This includes a sub-set of common indicators that are used to assess the impact of the work we are funding through our Major Partnerships grants. The diagram below depicts the approach the Foundation takes to measuring impact and the basket of measures we use to judge the extent to which we are meeting our objectives.

## Impact Assessment Framework



The Foundation published its second Impact Report based on our Theory of Change in June 2020 ([see https://www.cosaraf.org/the-foundation-publishes-its-annual-impact-report/](https://www.cosaraf.org/the-foundation-publishes-its-annual-impact-report/)). Below we set out some of the highlights of the Impact Report.

## Charity Commission guidance on public benefit

The Trustees have complied with their duty pursuant to Section 4 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission regarding Public Benefit, a copy of which is provided to all trustees on appointment and on an annual basis thereafter.



# Achievements and Performance

## The year in context

**This report covers the period up to the start of April 2021, a year dominated by the global COVID-19 pandemic. As we reported in last year's Annual Report, we could see even then that the pandemic would disproportionately impact upon the most deprived communities across the world, including many of those at the heart of the Foundation's work.**

With the support and flexibility we were able to provide in line with the commitments we gave to our grant beneficiaries set out by London Funders (**see <http://covid19funders.org.uk/>**), but most importantly through the amazing ingenuity and expertise of our partners, we are incredibly proud of the ingenuity and commitment that our partners have demonstrated in what has been a hugely challenging period.

Given the huge demands faced by our existing partners in the face of COVID-19, trustees took the strategic discussion to focus investment on the Foundation's existing portfolio. Trustees therefore decided to direct the majority of new commitments to short-term interventions responding to the challenges of the COVID-19 pandemic.

## Our objectives for this year

Trustees agreed a set of key objectives for this reporting year, the most notable of which were as follows:

- To continue roll-out of the new Impact Assessment Framework across all major programmes and complete the second annual review of the three grant-making schemes as part of a process of continuous improvement.
- Move towards a greater focus through the development of a smaller number of 'flagship' programmes to maximise the Foundation's impact, including creating an additional flagship programme for the UK, complementing the Sheikh Family Scholarships and the Hardship Fund).
- Develop new local partnership agreements for support of the Fahmida Begum Foundation's development, building on collaboration between the Foundation and Indus Hospital and the Dawood Public School.
- To finalise discussions around a deeper partnership with For the Needy & Hungry Foundation, including co-branding of the current 'Noor Project' in Lahore.
- To implement the new extended Scholarship Programme, including the new student hardship fund.

As set out in this Report, trustees are pleased with the progress that has been made against these objectives, although noting that COVID-19 exigencies have inevitably delayed progress on some of these.

## Main achievements

Since its establishment in 2007, the Foundation has invested in a powerful set of programmes, in the UK and overseas, through which to deliver the Foundation's charitable purpose. The Foundation has sought to work with a diverse mix of partners, from household names such as The Prince's Trust in the UK to small community-based organisations such as the excellent Join Hands Trust in India. The Foundation has also invested in a number of innovative new organisations driven directly with the hands-on involvement of trustees themselves, such as the Fahmida Begum Foundation in Pakistan.

Increasingly, the Foundation is looking to focus its efforts on key flagship programmes to maximise its impact and to ensure close and effective engagement with its partners.

## Major Grants

The Foundation continues to support projects that will deliver long-term impact in the three focus areas of the Foundation's work. This portfolio includes programmes with which the Foundation has built long-standing relationships as well as a range of exciting new initiatives.

Key new projects on which the trustees have provided support over this reporting year include:

### Supporting young people to realise their potential

Our flagship **UK Sheikh Family Scholarship Programme** continues to provide much-needed financial and wider support to young Muslim students at top universities. This year, we introduced an extended traineeship at The Sun and The Mirror newspapers for our Scholars studying for an MA in Journalism at City University. The Foundation was also pleased that, despite the lockdown, we were able to successfully deliver a Scholars' Leadership Development Programme at St Anne's College with four of the Sheikh Family Scholars. The day was very generously facilitated on a pro bono basis by Stuart Duff, Director at world-leading business psychologists Pearn Kandola.

Expanding and building on the success of the scholarship programme, the Foundation launched a **Scholars' Hardship Fund**. The fund was open to undergraduate Muslim home students in significant financial need. In its first year of operation, the Foundation supported 28 young people to stay at university and complete their undergraduate degrees at universities across the UK.

"Tahreem has now received the payment and wanted me to send you her deepest thanks for the award. It will really help her to achieve her goals of becoming a doctor."

- Dr Lesley Robson

Head of Year 1 and 2 MBBS, Barts and The London School of Medicine and Dentistry

68%  
improvement  
in results

The Foundation became the major funder for the **Enterprise Challenge Pakistan** programme run by The Prince's Trust International. This year, 72 mentors were mobilised and the programme worked with 260 students from 19 schools across six regions of Pakistan. COSARAF Foundation Treasurer Akbar Sheikh was a judge at the national finals. Building on the finals event, local delivery partners SEED Ventures organised local celebrations in each of the ten schools that reached the final stage. Given the challenges of the COVID-19 pandemic, the Foundation was delighted that the programme pivoted to an online programme successfully; this new approach demonstrated the long-term potential to extend the programme's reach moving forward in a cost-effective and engaging way.

The Foundation continues to support the Deaf Reach School in Karachi, Pakistan, which has enabled the education and academic progress of 50 deaf students, with a 68% improvement in results, meeting its targets and delivering transformational change to its participants.



The  
Prince's  
Trust

5,752  
beneficiaries

Youth  
Leads

86  
underprivileged  
young people  
supported

COSARAF Foundation's support of **The Prince's Trust** Enterprise programme has provided the team with the resource needed to pivot the programme from face-to-face delivery to the Explore Enterprise Course delivered remotely. Additional opportunities were created, including specialist workshops, inspirational masterclasses and informal peer-to-peer opportunities. There were 5,272 beneficiaries in total across the programme and 18 were supported directly by the COSARAF Foundation in 2020. A fantastic 89% of those on the Enterprise programme moved into a positive outcome: setting up in business, securing alternative employment, re-engaging with education, or securing additional training or volunteering opportunities.

In 2020, the COSARAF Foundation helped fund **Youth Leads** to support 86 underprivileged and disengaged young people in Greater Manchester. During the year, all delivery shifted online and Youth Leads received an advance from COSARAF to support the purchase of equipment to enable them to continue in a virtual capacity.

## Promoting Strong and Cohesive Communities

The Foundation's grant to the Mental Health programme in Pakistan with the **British Asian Trust** ended this year. The programme has been hugely successful in starting a dialogue on Mental Health in Pakistan and in identifying new, cost-effective ways in which to provide much-needed support at a community level. The community outreach element of the programme provided 725,506 people with basic mental health information and a further 40,493 with clinical access to mental health provision. Local partners Aga Khan University provided digital webinars, remote training and support for 1,711 professionals whilst Sehat Kahani provided training to nurses and council workers to spot mental health issues and provide assistance to their communities. After the resounding success, there are plans to work on this area in Pakistan involving more local organisations and expanding the programme to other provinces of Pakistan. The Foundation's funding has been critical in establishing the programme and enabling the British Asian Trust to secure additional long-term funding for this work moving forward.

The Foundation was delighted to support the building of a **Ghusal Hall at the Isiola masjid** in Kenya. The new hall is providing a very important new facility for the local community alongside

the new masjid. The Foundation had previously contributed to the development of the new mosque itself, funding all of the doors and windows of this vital community project.

The **Shamakha Foundation** continued to receive COSARAF funding however, due to COVID-19, in April 2020, with government restrictions on gatherings and crowd density, the Feeding Centre and Mgalani Feeding ceased to operate. Priority shifted from the centralised community feeding projects to the distribution of Monthly Food Packs to families and homes of the surrounding community. From April 2020, 200 monthly food packages, were distributed, with each pack sufficient for a family of five.





# 57

new facilitators

The **East Africa Character Development Trust** (EACDT) aims to transform the lives of thousands of disadvantaged young Africans through sport and education. In 2020, the programme has benefitted 5,171 individuals (against a target of 2,500) and supported 57 new facilitators. While schools were closed, EACDT began working in informal 'slum' communities. Although community centric work became the focus, the team ensured that this work embraced as many of its current pupils and their families as was practically possible. This led to its Character Development work being extended to parents, other siblings and other members of those communities, previously not exposed to the project.

**"Now more than ever the COSARAF support for EACDT is having a wider impact than at any other time and is helping to support the most vulnerable members of Kenya's economically and socially deprived communities."**

**– EACDT**





## Empowering Women & Girls

The Foundation's flagship project in Karachi, Fahmida Begum Foundation, is progressing steadily. The Fahmida Begum Foundation supported 84 students in its school and supported 60–80 patients per week at its medical centre where free medical checks and medications are provided. Around 1,240 beneficiaries engaged with other activities provided by the Foundation, as well as the 1,857 benefitting through their feeding programme. This brings the total number of beneficiaries to over 3,000 in 2020.



The **Fahmida Begum Foundation** will continue its operations in Mehran Town and, with the support of COSARAF Foundation, develop into a sustainable organisation with strong roots in the area. There are plans to expand the charity's operations to increase the number of beneficiaries and also to improve on the quality of the services provided. To support this expansion, the Foundation is now moving into bigger premises that will increase its operational and delivery capacity. New initiatives like vocational training and Adopt a School are being developed to expand the breadth of services it provides. Plans are also underway to work on building a Centre of Excellence in Mehran Town and to use that as a pivot to create more partnerships and impact. A joint research is also being undertaken with SEED Ventures to understand the dynamics of women employment and entrepreneurship in the area.



The Foundation continued to have very encouraging reports from the **African Gifted Academy** this year. Student Semiat Ayomide Ayeni, supported by the Foundation, was offered a Future Leaders Scholarship to study BA Arts & Sciences at Hong Kong University. Semiat comes from a very humble background and was the youngest student in her cohort at the Academy. Semiat was, however, the second-highest achieving student, gaining A\*, A, A in Maths, Further Maths and Physics – in just one academic year! The Foundation has continued its commitment to the Academy.

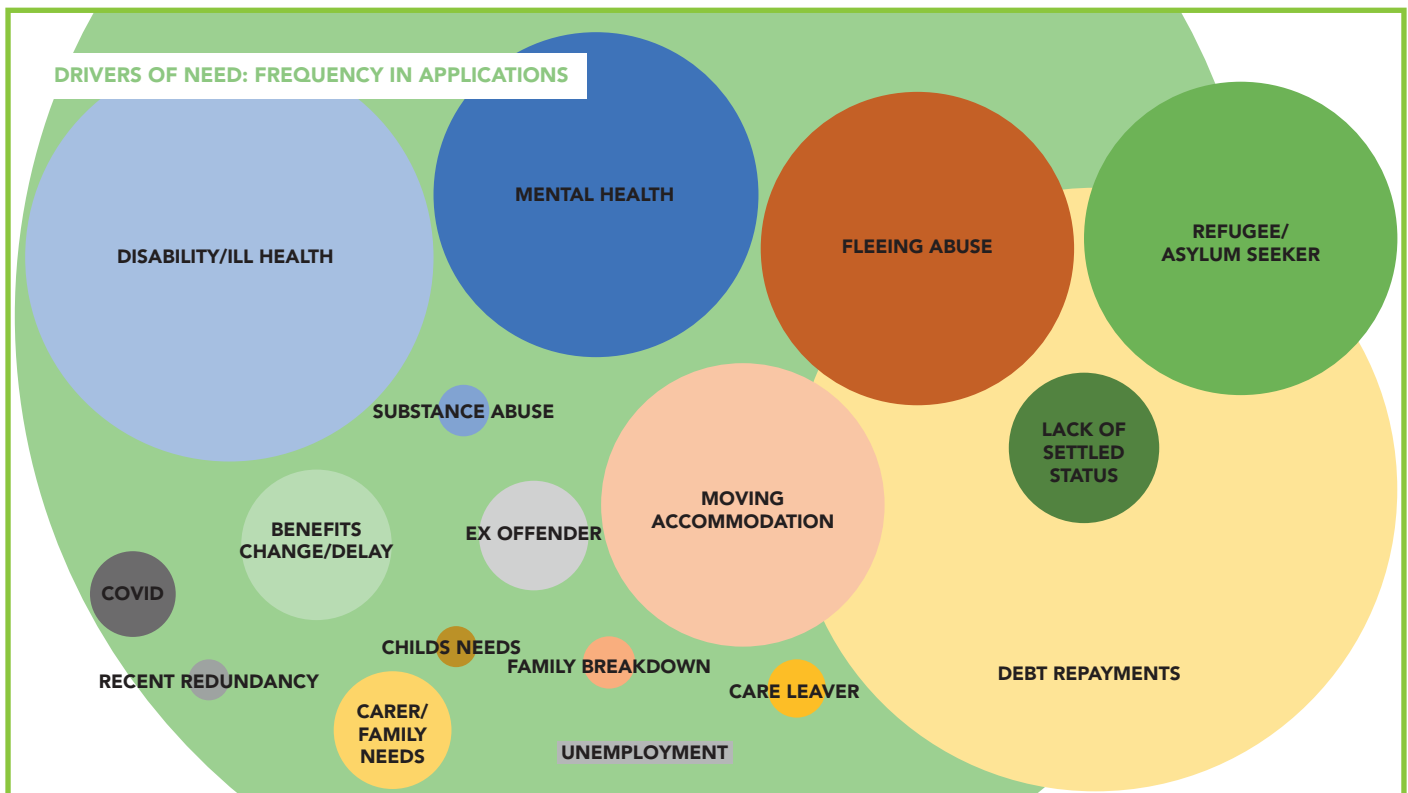
**The Noor Project**, based in Lahore, is providing an all-inclusive service to the people of Khaliqabad, Lahore and has a centre providing school, medical and dental services, vocational training, elderly care and food (rations and daily feeding). In addition, The Noor Project has its own orphanage caring for 68 girls and an elderly centre with a capacity of 20 individuals. The project has been growing tremendously and is now introducing legal aid and building a 900 student purpose-built school in the vicinity which will start operations in August 2021.

## Hardship Fund

**297**  
hardship grants

COSARAF Foundation also provides Hardship Grants directly to individuals in genuine financial need. In 2020, COSARAF Foundation provided 297 hardship grants.

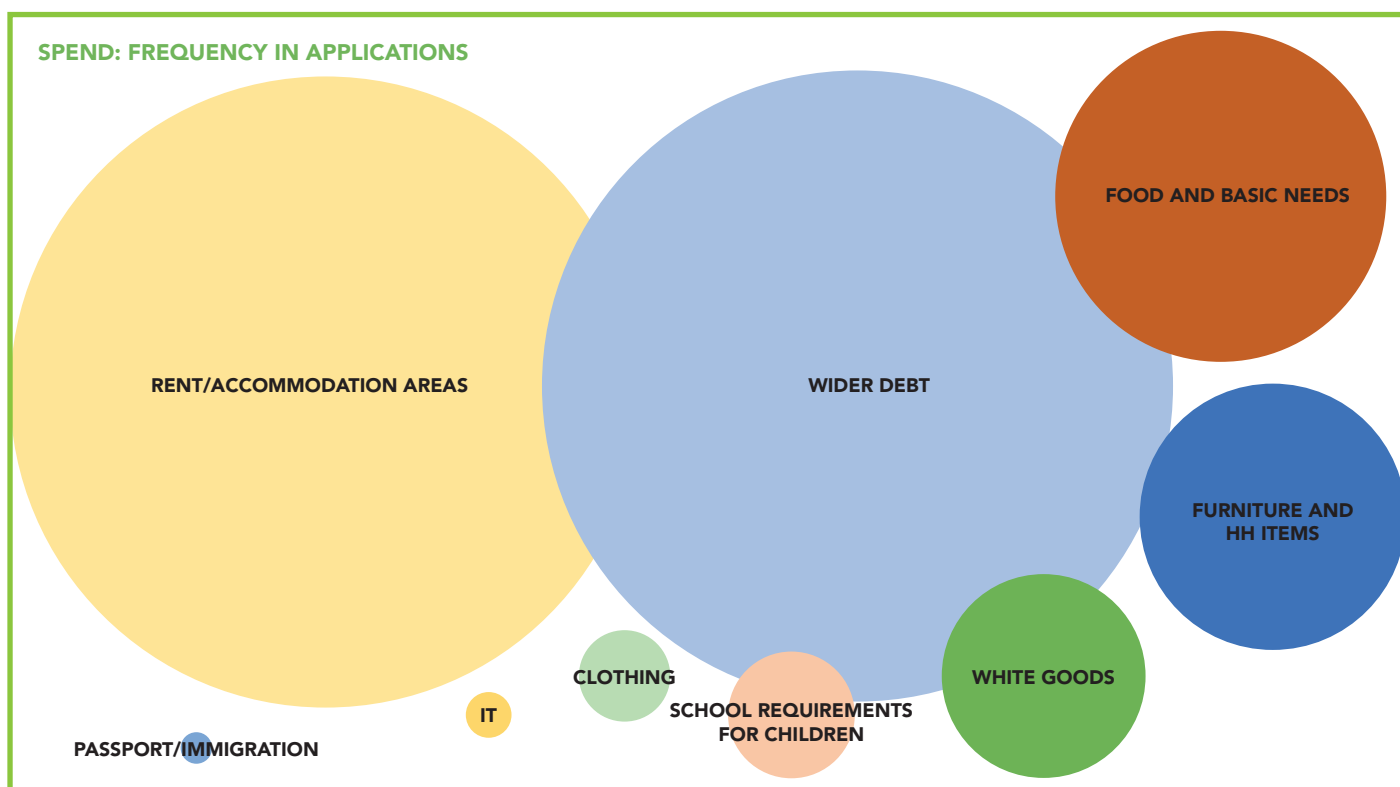
Bean Research undertook the analysis of 2020 Hardship Grants to better understand the drivers of need and expected spend of hardship grants, and the social issues COSARAF's Hardship Grants are helping to alleviate. They looked at both **"Drivers of Need"** (What has driven this applicant to need hardship support?) and **"Spend"** (What will this hardship grant support?). A simple, multi-code approach was used, tallying Need and Spend as indicated for each applicant. Notable in the analysis of **need** is the complexity of many applicants' situations, frequently there is no one reason for hardship, and the drivers of financial need are multi-factorial and multi-dimensional.



*"J has been involved with the Criminal Justice System as a result of the trauma she has experienced which led to her using alcohol as a coping mechanism, leading to her offence.... She was recently involved in a domestically violent relationship. This led to her suffering trauma which has severely impacted her mental health. Jodie now suffers from anxiety as a result of this and struggles to leave her house. She had to give up her job due to this taking over many aspects of her life. She is now also struggling to find work due to her criminal history. Her violent ex-partner destroyed many parts of her home in aggressive altercations."*



Addressing debt is the most common area of spend; **Rent (Accommodation) Areas** and **Wider Debt** have a similar number of applicants requesting a grant to clear these debts. Frequently applicants have debt in both areas. Once again, the figure below illustrates relative frequency of these areas of spend being cited:



This year, the Foundation agreed a partnership with A.O. Business to provide white goods to applicants through our Hardship Grant fund. Applicants typically apply for items such as fridge/freezers, washing machines and cookers, all of which are now supplied directly by A.O. Business.



## Ramadan Projects

In line with the Islamic values of the Foundation's trustees, a separate fund has been established for distribution to projects during the holy month of Ramadan. Throughout Ramadan 2020, the Foundation supported multiple charities both in the UK and Internationally.

In 2020, Ramadan coincided with the COVID-19 outbreak. Despite the challenges that this presented, the Foundation continued to help thousands across the world, working with local partners to design new delivery mechanisms to support 24,600 people during Ramadan this year.

### Feeding programmes took place at:

#### **Pakistan: Fahmida Begum Foundation**

Working with the Mehran Welfare Trust, the Fahmida Begum Foundation gave Ramadan food parcels to 720 families in Mehran Town, Karachi. Families were given specific time slots to come and collect their food packages to minimise the risk of COVID infection amongst this vulnerable group.

#### **Bangladesh: DF Foundation**

The DF Foundation gave Ramadan food parcels to more than 700 families in Bangladesh. They carried out the procurement, delivery and distribution of food items in two phases, two weeks before the start of Ramadan. Delivery was made by collection only with two-metre distancing ensured by chalk circles on the ground.

#### **Pakistan: The Noor Project – Lahore**

Extra rations were provided during Ramadan to enable families to mark the most holy of months in the Islamic calendar. In total The Noor Project delivered 3000 food rations a month for three months to the most deprived families in Lahore. In total, thanks to support from the COSARAF Foundation, these emergency food rations provided enough food for a staggering 1.8 million meals.

#### **Kenya: The East Africa Charater Development Trust**

Although not specifically a Ramadan funded project EACDT, with additional support from COSARAF Foundation and others, also organised a feeding programme that helped 3,305 people.

#### **UK: Harrow Central Mosque**

The Foundation provided support to Harrow Central Mosque to provide daily Iftar parcels for up to 400 elderly, vulnerable and other community members in difficulty.

#### **India: Join Hands Trust**

In the rural area of Madurai in India, the Join Hands Trust distributed food packs to more than 250 poverty-stricken families. The charity's Ramadan food packs supported the impoverished, orphans, destitute and widows in local communities. These packs ensured that up to 1250 of the poorest people in three villages were able to prepare an Iftar and Suhoor meal for each day of Ramadan. To avoid over-crowding deliveries were made by volunteers to each family.

#### **UK – St Mungo's**

With the Foundation's support, St Mungo's homeless shelters in Camden provided food for residents. Sourcing food for hostels became a particular challenge in the first lockdown due to supermarkets limited the number of items that could be purchased with each order. The Foundation was pleased to not only be able to support with a grant for food but also to utilise its network to source a wholesaler to provide food in bulk.

#### **Kenya: Shamakha Foundation**

In rural communities around Mombasa in Kenya, the Shamakha Foundation distributed up to 1200 food packs. With each food pack sufficient for a family of five, some 6000 individuals in deprived communities received support over Ramadan. As highlighted above food packs were delivered to families during COVID.



Other giving included:

- Hertfordshire Community Foundation's Children's Fund to provide hardship support for local families. This funding enabled HCF to support 42 families living in Hertfordshire facing extreme hardship. In 2020 HCF supported a total of 90 vulnerable families in desperate need of basic items such as cookers, fridges, washing machines, children's beds and pushchairs.
- Herts Welcomes Refugees to partially fund the appointment of a Language Support volunteer network coordinator cover 1:1 or group support for Syrian or other refugees in Hertfordshire.

Additionally, a number of smaller grants were made to charities and individuals.

## Impact Report

In line with the Islamic values of the Foundation's trustees, a separate fund has been established for The Foundation's second Impact Report showed that in 2020, 505,207 people benefitted from COSARAF-funded projects. Of these,

**62,000**

**experienced Substantive Change**

**1,381**

**lives were Transformed for the long term**

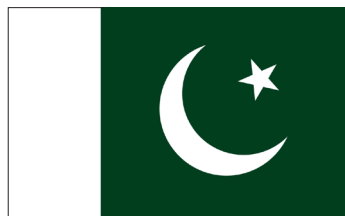
**297**

**individuals received Immediate Relief through the Foundation's hardship fund**

Through the Foundation's Ramadan Fund, an amazing 24,600 individuals benefitted from food parcels that were distributed in Pakistan, Kenya, Bangladesh & India.

In the past year, the COSARAF Foundation responded swiftly to support its partners and communities. Whilst the negative impacts of COVID-19 forced some programmes to halt, many of the partners were able to adapt and pivot their programmes, responding to changing needs, increased demand and restricted face to face interaction.

This year, the Foundation also published three Country Reports to specifically look at impact in its three focus countries: the UK; Pakistan; and, Kenya.



## Our response to COVID-19

As a Foundation, we recognised quickly that responding to the challenges of COVID-19 had to be our top priority. Our approach covered three key areas:

- Supporting our grantee partners
- Identifying new funding opportunities to address the challenges
- Ensuring continuity of our own operations

## Supporting our partners

With trustees' agreement, the Foundation signed up to the commitments to our grant beneficiaries set out by London Funders (see <http://covid19funders.org.uk/>). The commitments are:

- Adapting activities – we recognise that you may experience difficulties achieving some of the outputs or outcomes we agreed for your grant during the outbreak, and would like to be able to maintain our grant payments to you at originally-agreed levels during this period, so please have a conversation with us if you are affected in this way;
- Discussing dates – we don't want to add pressure, so if you think you will struggle to meet a reporting deadline please get in touch with us so that we can agree a more realistic time for you to get things to us wherever possible;
- Financial flexibility – we know you may need to use your funding to help cover sickness, purchase equipment, or deliver services differently, and we will be reasonable if you need to move money between budget headings to ensure your work can continue; and,
- Listening to you – we are here if you want to talk to us about the situation you're facing, but we'll wait for you to call us so that these conversations are at the right time for you.

In line with these commitments, we worked with all the Partnership Fund grantees to agree the most appropriate support we could provide. For a number of grantees, we agreed revised delivery plans in recognition that they simply could not meet existing timetables for reasons completely outside of their control. For other partners, we agreed alternative plans by which to deliver their agreed objectives, such as through online delivery or indeed completely new approaches by which to deliver their objectives. For others, we agreed to revised payment schedules to reflect the impact of the pandemic.

The Foundation supported a number of charities with funding to specifically address the COVID-19 crisis:

### The British Asian Trust

The British Asian Trust's Mental Health programme became ever more important as the COVID crisis deepened and more people started suffering from mental health issues. The programme was useful in helping many people cope with mental health issues and increase the use of technology to reach out to the masses.

### The East Africa Character Development Trust

The East Africa Character Development Trust delivered a community-based programme using its coaches to support the most vulnerable communities, using its character programme as a platform. They have also established a new feeding programme, which the Foundation made a small additional donation to support.

### Dignitas

Dignitas worked to equip, empower and support School Leaders and Teachers as new Community Champions for this current global crisis. This means they are trained to support households and ensure the well-being and safety of children. Thanks to the Foundation's support and that of other donors, through its 'Leaders of Learning' programme Dignitas has worked with 560 educators and 10,773 children in early years and primary school.

### St Mungo's

St Mungo's reported the essential and immediate relief the Foundation provided to 125 residents in their homeless shelters in Camden while they sourced a longer term solution to accessing food for their residents.

### FESF – Deaf Reach

FESF - Deaf Reach has established a work-at-home system for all teaching staff, with regular trainings, daily work plans and continued distance learning. COVID-19 information videos in sign language the reach the Deaf Community across Pakistan were created in partnership with the provincial governments and broadcast nationally on television and via government social/digital media platforms.

### MCC Foundation

MCC Foundation reported what a "boost" the COSARAF donation had given to both their Foundation and the feeding programme, providing meals to homeless people across Westminster.



The Foundation was able to support positively grantees to move their operations online.

- **Home-Start Croydon** requested that some of their grant be diverted to purchase a Zoom license so that they could continue operations online.
- The Foundation brought forward a payment to Youth Leads in order to purchase laptops and other technology to continue offering their programmes to young people across Greater Manchester.

### Identifying new funding opportunities to address the challenges

Notably this year, the Foundation made grants to multiple UK feeding programmes. The Foundation funded and sourced food for three St Mungo's hostels in Camden at the start of April 2020 when stock-piling resulted in challenges with deliveries of food in bulk. This was also done to safeguard vulnerable residents who otherwise would have needed to leave the hostels in search of food, at a time when many places in central London were closed.

### Ensuring continuity of our own operations

In order to be able to rise to the challenges of the pandemic, the Foundation had to ensure that its own operations could operate effectively and safely in the new environment.

A key factor throughout this period has been to ensure the health and safety of the Foundation's staff. The demands of the pandemic on staff members, particularly those with caring responsibilities, has put a premium on flexibility and sensitivity.

The Foundation was well-equipped in terms of its technology to operate remotely, with all key systems available online. This enabled the staff team to switch to remote operations ahead of the first national lockdown smoothly and effectively. As a result, all of the Foundation's grant streams remained fully-operational throughout the year.

Importantly, trustees were able to adjust their own working practices to accommodate the restrictions of the pandemic. As well as switching to video meetings as standard, trustees agreed effective approaches to enable swift decision-making outside of formal scheduled meetings to enable the Foundation to respond quickly and effectively to new demands and opportunities.

## Our commitment to Diversity Equity and Inclusion

The Foundation is fully committed to promoting Diversity, Equity and Inclusion across all aspects of its work:

- The Foundation recognises that people from different backgrounds bring fresh ideas and a different approach that makes the way we work and learn more fun, more creative, more efficient and more innovative, bringing benefits to the organisation.
- The Foundation actively seeks to recognise, value and take account of individuals' different backgrounds, knowledge, skills and experience to create a more productive and effective organisation.
- The Foundation seeks to ensure that all who work for and deal with us feel valued and welcome.
- The Foundation strives to ensure that everyone has access to the same opportunities in their dealings with the Foundation but recognizes that advantages and barriers exist for different individuals. The Foundation recognises that individuals have unequal starting places and that we must make efforts to correct and address such imbalance.

The Foundation has published its Diversity Equity and Inclusion Statement on its website (see [www.caretechfoundation.org.uk/about-us/diversity/](http://www.caretechfoundation.org.uk/about-us/diversity/)). In line with the approach set out in this Statement, we implemented a new monitoring information approach for all grant applications in 2019. With the benefit of a full year of information, we will assess the success or otherwise of our approach. Trustees will consider the results of this review in the new financial year and consider the need for further action.

## Our fundraising and investment performance

The Foundation remains indebted to the generosity of the Sheikh family for choosing to use the Foundation as their preferred vehicle by which to support their philanthropic endeavours. The Foundation is also grateful for the very generous support of Grosvenor UK for both its direct financial support of our work and its wider in kind support.

During the year, trustees have continued to consider the means by which the Foundation might develop a long-term financial asset to enhance the Foundation's long-term sustainability. Whilst trustees remain keen to develop such an asset in

the medium- to long-term, they have chosen to use the Foundation's assets at this time to support charitable endeavours through the use of social loans to charities to support projects in line with the Foundation's Objects.

## Legal status

The COSARAF Charitable Foundation was established as an unincorporated body, registered with the Charity Commission, by Deed of Trust dated 31st January 2007. The Foundation was incorporated as a body corporate on 27th April 2016 by the Charity Commission of England and Wales under the power given in s251 of the Charities Act 2011.



## Plans for Future Periods

**Trustees remain confident that the strategic aims established in the Foundation's Strategic Plan 2018-2023 still hold good. These three strategic aims are:**

- To deliver a powerful focused portfolio of projects, delivering significant and sustainable impact in line with its strategic priorities.
- To ensure the Foundation is well-resourced, with a strong staff team supporting a highly effective and engaged Board of trustees and wider family members.
- To develop a Foundation that is respected as providing a positive and powerful example, in partnership with other similar foundations, of the contribution of British Muslims to wider society.

### Plans for the future

For the year ahead, trustees have identified the following key new objectives:

Drive significant improvements across our Pakistan portfolio, using the Foundation's investment in the Fahmida Begum Foundation as the lynchpin for wider sustained development of our objectives. Key developments for the Fahmida Begum Foundation will include:

- securing a suitable plot for the long-term development of the Foundation's centre as a centre of excellence
- extending the range services provided, developing programmes around women empowerment, vocational training, enhanced medical provision and special needs education
- developing efficient systems, processes and controls at the Fahmida Begum Foundation to deliver more services and achieve value for money
- developing a sustainability plan for the Foundation's services, which are currently over-reliant on a small number of individuals.
- formalising a cross-learning program with The Noor Project so that FBF staff can gain valuable experience.

Identify new additions to our Pakistan portfolio when COSARAF can add expertise as well as funding, in line with our strategic objectives, with an emphasis on:

- Vocational Training • Enterprise Development • Special Needs Education

Confirm the long-term nature of our partnership with The Noor Project, ensuring a clear, shared vision for the charity's growth and the Foundation's funding commitment.

Support the growth of the Deaf Reach School with the opening of its new Lahore campus, where we will fund 25 students, as well as maintaining support for students in Karachi.

To discuss with British Asian Trust how they intend to progress the mental health programme going forwards, especially how to capitalize on the current project's impact.

To undertake a strategic review of our partnerships in Kenya and the Foundation's capacity to support our portfolio effectively, learning from the positive developments supported in Pakistan resulting from the investment in a country director.

To begin a relationship with the World Association of Girl Guides in Kenya to tackle violence against women and girls



- Confirm the long-term nature of our partnership with The Noor Project, ensuring a clear, shared vision for the charity's growth and the Foundation's funding commitment.

- To work with Plan International UK on the development of their new Livelihoods for All programme, building on the success of their Enterprise for Change programme.

- To consider options by which to provide hardship grants for individuals in Pakistan and Kenya.

- Complete the third annual review of the three grant-making schemes as part of a process of continuous improvement, using the new Impact Assessment Framework

- Continue to drive greater focus in our work through the development of a smaller number of 'flagship' programmes to maximise the Foundation's impact, including creating an additional flagship programme for the UK (complementing the Sheikh Family Scholarships and the Hardship Fund).

In settling the above plans for the year ahead, trustees fully recognised that the COVID-19 pandemic was likely to have a significant impact on the needs of its partners and the communities the Foundation seeks to serve. This would require a flexible and agile approach, very possibly focussing on more immediate concerns than some of the longer-term ambitions of the charity.



## Financial Review

### Our financial position

As set out below in the Accounts, the Foundation continues to enjoy a strong financial position. As a result, the Foundation is well-placed financially to deliver its long-term objectives.

**£85,423**

The Foundation has long-term donation agreements with the Sheikh family, whose members have opted to use the Foundation as their primary vehicle for their charitable endeavours. In addition, the Foundation benefits from

long-term support from Grosvenor UK Ltd, both through direct donations and wider in kind support. In this reporting year, this in-kind support has been valued at £85,423.

At the current time, notwithstanding the very significant economic challenges triggered by the COVID-19 pandemic, the Foundation expects to continue to be in the fortunate position of being able to rely on continued strong income from its primary donors.

As noted in last year's Annual Report, trustees were aware that the repayment to the Foundation of some of its social loan commitments made in previous years to charity partners were likely to be impacted in the year ahead. The trustees took the decision to convert one of these two loans in to a grant. Trustees also agreed to revised repayment terms for the second social loan; repayments are being made but trustees continue to monitor this situation closely.

A formal budgeting process, scrutinised by the full board of trustees, is in place. The Foundation benefits from accounting support provided pro bono by Grosvenor UK to manage the Foundation's finances and monitor performance against budget. The trustees have also approved a Financial Handling Manual that sets out all necessary financial systems for the Foundation.

Trustees are provided with a monthly financial report as part of the CEO's regular report and further scrutiny is undertaken regularly by the Board of trustees.

### Our Reserves Policy

The Foundation maintains free unrestricted reserves:

- to provide a level of working capital that protects the continuity of its core work;
- to provide a level of funding for unexpected opportunities; and,
- to provide cover for risks such as unforeseen expenditure or unanticipated loss of income.

**Trustees budgeted for a surplus of £620,386 for the full year ending 5th April 2020 to allow for unforeseen expenditure. At the end of this Financial Year, the Foundation held £877,924 of free reserves.**

### Other financial matters

The Foundation has no material pension liability



# Structure, Governance and Management

## Our governing document

The Foundation's governing documents are its Deed of Trust of 31 January 2007

## How we are constituted

The Foundation was incorporated as body corporate on 27 April 2016 by the Charity Commission of England and Wales under the power given in s251 of the Charities Act 2011.

## Our decision-making processes and those decisions delegated to staff

Trustees are responsible for establishing the strategic direction of the Foundation and for all key decisions as to its operations. These decisions are made by the full board of trustees as provided for in the Trustees' Terms of Reference in line with their overall duty "To provide direction and stewardship for the COSARAF Charitable Foundation for the benefit of current and future beneficiaries". The quorum for decision-making at Board meetings for normal business is three members.

The Board of Trustees has established a Hardship Fund Committee that has delegated authority, as set out in its Terms of Reference, for:

- the operation of the Foundation's Hardship Grants Fund;
- decisions in respect of applications for Small Grants up to a value of £5,000; and,
- first round consideration of applications to the Major Grants Fund.

The trustees have delegated day-to-day management and administration of the Foundation to the Chief Executive Officer and their staff team. Specific delegated authority in respect of the award of grants and other spending commitments are set out in the Foundation's Financial Handling Manual.

To support the Foundation's effectiveness and records handling, we invested in a bespoke new implementation of Salesforce and its grant management module. Staff have already seen an improvement in the processing of grant applications through Salesforce and will be working to take full advantage of its capabilities over the next year.

## Management of Risks

A Management of Risks Policy is in place and the Board of Trustees provides detailed oversight of the effective management of risk. The principal risks recognised over this period in the Foundation's Risk Register were:

- poor delivery of grant-funded programmes;
- unexpected delivery risks due to international factors i.e. transferring funds in to other countries, different operating mechanisms; and,

- decline in income due to limited range of donors.

Monthly reports from the CEO to trustees highlight the current top three risks, following internal review. The full Risk Register is reviewed regularly by the full Board of trustees.

## Recruitment and support of trustees

In selecting individuals for appointment as trustees, the trustees are required by virtue of the Deed of Trust to have regard to the skills, knowledge and experience needed for the effective management of the Foundation.

Terms of Reference for the Board of Trustees are in place as well as Role Descriptions for the Chair, Treasurer and all trustees.

All new trustees receive a full induction programme, provided by the staff team, familiarising new trustees with the work of the Foundation, the policies and procedures in place, introductions to key stakeholders. This programme is also used to ascertain any training and development needs which feed in to a wider trustee learning and development programme. This year, trustees benefitted in particular from a training session delivered by the Muslim Charities Forum on governance issues and wider trends in the charitable sector.

## Our organisational structure

The Foundation has a small team responsible for supporting the trustees on the management of its business. Over this reporting period, the team comprised the following individuals, seconded from Grosvenor UK Ltd:

- Jonathan Freeman - Chief Executive Officer (interim);
- Michelle O'Brien - Foundation Manager; and,
- Ahmer Arif - Pakistan Director

The engagement of Ahmer Arif, the Foundation's new Pakistan Director based in Karachi, represents an investment in the Foundation's investments in Pakistan and trustees desire to ensure close engagement with all local partners to ensure the highest possible standards and greatest impact is achieved

## Reference and Administrative Details

### Name of charity

COSARAF Charitable Foundation

### Any other name used

COSARAF Foundation

### Charity registration and company registration numbers

Charity number 1118481

### Address of principal office

Metropolitan House  
3 Darkes Lane  
Potters Bar  
Hertfordshire  
EN6 1AG

### Trustees who served during the reporting period

Name	Office	Dates of appointment
Haroon Sheikh	Chair	Appointed at trust inauguration
Akbar Sheikh	Treasurer	Appointed on 9 February 2015
Farouq Sheikh		Appointed at trust inauguration
Naureen Sheikh	Safeguarding	Appointed 9 February 2015
Saba Sheikh		Appointed at trust inauguration
Seema Sheikh		Appointed at trust inauguration
Rukhsana Sheikh		Appointed 10 May 2018
Yusuf Sheikh		Appointed on 16 September 2019

### Organisations or persons providing banking services or professional advice

Banking Coutts & Co 440 Strand London WC2R 0QS).	Solicitors Bates Wells 10 Queen Street Place London EC4R 1BE	Accountants and Independent Examiners Moore Northern Home Counties Limited Nicholas House, River Front Enfield EN1 3FG
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# Statement of Trustees' Responsibilities

## ***For The Year Ended 5 April 2021***

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 year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient 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.

# Independent Auditor's Report

To The Trustees of The Cosaraf Charitable Foundation

## Opinion

We have audited the financial statements of The Cosaraf Charitable Foundation (the 'charity') for the year ended 5 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 5 April 2021 and of its incoming resources and application of resources, 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 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements 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 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.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011 and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of noncompliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

## Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

## Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 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 and its trustees as a body, for audit work, for this report, or for the opinions we have formed.



**Franic Corbishley (Senior Statutory Auditor)**

for and on behalf of Moore Northern Home Counties Limited

**10/11/2021**

Chartered Accountants  
Statutory Auditor  
Nicholas House  
River Front  
Enfield  
Middlesex  
EN1 3FG

# Statement of Financial Activities Including Income and Expenditure Account

For The Year Ended 5 April 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2019 £
<b>Income from</b>							
Donations and legacies	2	575,402	374,915	950,317	687,667	478,673	1,166,340
<b>Expenditure on</b>							
Charitable activities	3	591,223	451,806	1,043,029	579,792	478,014	1,057,806
Net gains/(losses) on investments	9	195,155	-	195,155	157,358	-	157,358
<b>Net movement in funds</b>		179,334	(76,891)	102,443	265,223	659	265,892
Fund balances at 6 April 2020		2,106,259	162,264	2,268,523	1,841,026	161,605	2,002,631
<b>Fund balances at 5 April 2021</b>		2,285,593	85,373	2,370,966	2,106,259	162,264	2,268,523

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

All income and expenditure derive from continuing activities.

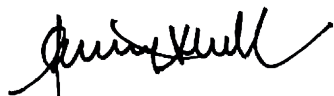


# Balance Sheet

As At 5 April 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Investments	<b>10</b>	1,585,754	1,390,599
<b>Current assets</b>			
Debtors	<b>11</b>	175,000	525,785
Cash at bank and in hand		683,160	433,951
		858,160	959,736
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	(72,948)	(81,812)
Net currents assets		785,212	877,924
<b>Total assets less current liabilities</b>		2,370,966	2,268,523
<b>Income funds</b>			
Restricted funds	<b>13</b>	85,373	162,264
Unrestricted funds		2,285,593	2,106,259
		2,370,966	2,268,523

The financial statements were approved by the Trustees on .....



Mr H R Sheikh  
**Trustee**

# Statement of Cash Flows

For The Year Ended 5 April 2021

	Notes	2021	2020
		£	£
<b>Cash flows from operating activities</b>			
Cash (absorbed by) / generated from operations	16	(101,576)	169,846
<b>Investing activities</b>			
Loans repaid / (provided to) charitable foundations		350,785	(525,785)
<b>Net cash generated from / (used in) investing activities</b>		350,785	(525,785)
<b>Net cash used in financing activities</b>		-	-
<b>Net increased / (decrease) in cash and cash equivalents</b>		249,209	(355,939)
Cash and cash equivalents at beginning of year		433,951	789,890
<b>Cash and cash equivalents at end of year</b>		638,160	433,951

# Notes to the Financial Statements

**For The Year Ended 5 April 2021**

## 1 Accounting Policies

### Charity Information

The Cosaraf Charitable Foundation is incorporated as a body corporate whose principal address is Metropolitan House, 3 Darkes Lane, Potters Bar, EN6 1AG.

### 1.1 Accounting Convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

### 1.2 Going Concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have considered the impact of the Covid-19 pandemic on the charity's activities and do not believe there to be any change in the going concern status of the charity.

### 1.3 Charitable Funds

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

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

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

### 1.4 Incoming Resources

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

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

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

### 1.5 Resources Expanded

Expenditure is recognised in the statement of financial activities on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered.

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

### 1.6 Fixed Asset Investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.



## 1.7 Cash and Cash Equivalents

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

## 1.8 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

### Derecognition of financial liabilities

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

## 1.9 Employee Benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.







## 5 Support and Governance Costs

	Support costs £	Governance costs £	2021 £	Support Costs £	Governance Costs £	2020 £
Office Sundries	-	2,451	2,451	-	-	-
Audit Fees	-	5,330	5,330	-	2,666	2,666
Legal and Professional	-	8,270	8,270	-	16,100	16,100
Bank Charges	-	443	443	-	368	368
Travel and Training	-	-	-	-	6,192	6,192
Insurance	-	908	908	-	824	824
Design and Branding	-	6,479	6,479	-	6,146	6,146
	-	23,881	23,881	-	32,296	32,296
Allocated to: Charitable activities	-	23,881	23,881	-	32,926	32,926

## 6 Auditor's Remuneration

The analysis of auditor's remuneration is as follows:

	2021 £	2020 £
Fees payable to the charity's auditor		
Audit of the charity's annual accounts	5,330	2,666

## 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

## 8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Management	1	1
<b>Employment Costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and Salaries	38,591	32,324

All wages and salaries for the year are in the form of gifts in kind and so do not represent the cost of staff directly employed by the charity. There are no employees whose annual remuneration was £60,000 or more.

## 9 Net Gains / (Losses) on Investments

	Total 2021 £	Unrestricted Funds 2020 £
Revaluation of Investments	195,155	157,358

## 10 Fixed Asset Investments

	Unlisted Investments £
<b>Cost or Valuation</b>	
At 6 April 2020	1,390,599
Valuation Changes	195,155
At April 2021	1,585,754
<b>Carrying Amount</b>	
At 5 April 2021	1,585,754
At 5 April 2020	1,390,599

Fixed asset investments consist of 100 ordinary shares in Sheikh Holdings Group (Investments) Limited. The investments are part of the Charity's unrestricted funds.

## 11 Debtors

Amounts falling due within one year:	2021 £	2020 £
Other Debtors	175,000	525,785

## 12 Creditors: Amounts Falling due Within One Year

	2021 £	2020 £
Trade Creditors	5,000	5,000
Accruals and Deferred Income	67,948	76,812
	72,948	81,812

### 13 Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in Funds			Movement in Funds			
	Balance at 6 April 2019 £	Incoming Resources £	Resources Expended £	Balance at 6 April 2020 £	Incoming Resources £	Resources Expended £	Balance at 5 April 2021 £
Zakat funds	161,605	478,673	(478,014)	162,264	374,915	(451,806)	85,373

#### Zakat funds

Zakat funds are those donations made in line with Islamic obligations for charitable giving

### 14 Analysis of Net Assets Between Funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Fund balances at 5 April 2021 are represented by:						
Investments	1,585,754	-	1,585,754	1,390,599	-	1,390,599
Current assets / (liabilities)	699,839	85,373	785,212	715,660	162,264	877,924
	2,285,593	85,373	2,370,966	2,106,259	162,264	2,268,523

### 15 Related Party Transactions

All of the income in the current year and comparative year was donated from related parties or was gift aid received on such donations. There were no other disclosable related party transactions during the year (2020 - none).

### 16 Cash Generated From Operations

	2021 £	2020 £
Surplus for the year	102,443	265,892
Adjustments for:		
Fair value gains and losses on investments	(195,155)	(157,358)
Movements in working capital: (Decrease) / Increase in creditors	(8,864)	61,312
<b>Cash (absorbed by) / generated from operations</b>	<b>(101,576)</b>	<b>169,846</b>

### 17 Analysis of Changes in Net Funds

The charity had no debt during the year.





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