

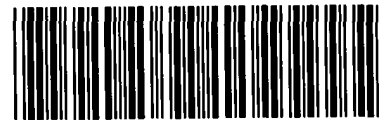
مؤسسة الأصفري

THE ASFARI FOUNDATION



2016 ANNUAL
REPORT &
ACCOUNT

THURSDAY



A6FXQ288

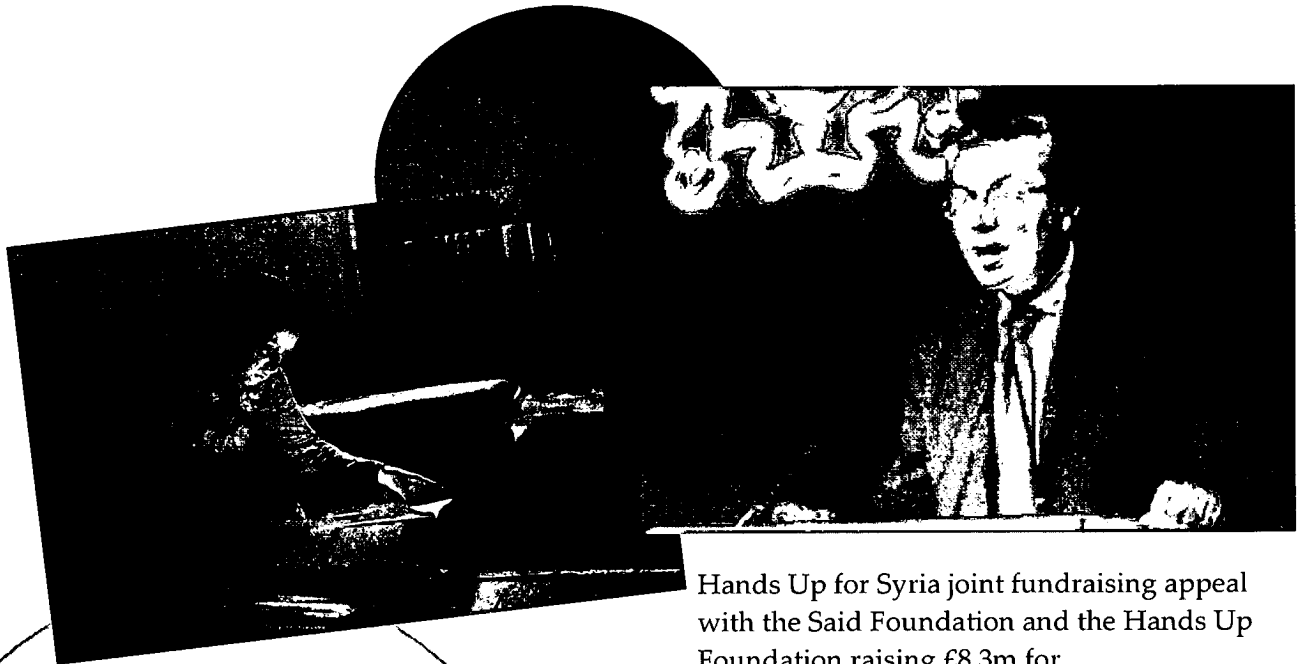
A42

28/09/2017

#354

COMPANIES HOUSE

10th ANNIVERSARY YEAR

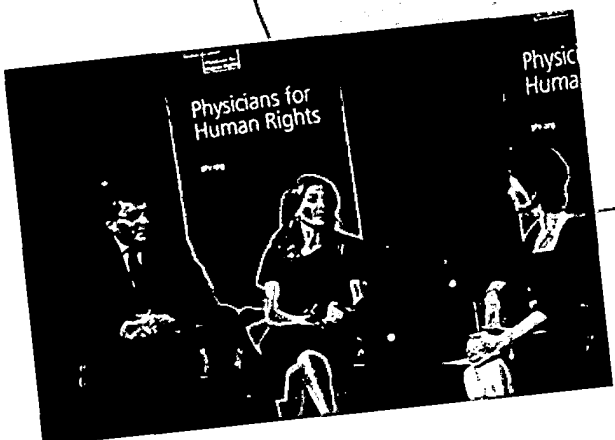
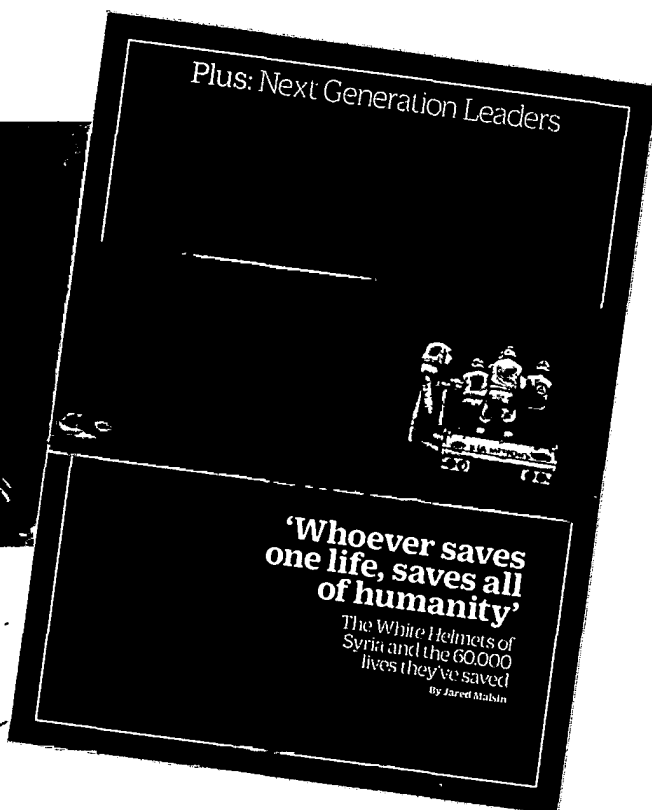


Hands Up for Syria joint fundraising appeal with the Said Foundation and the Hands Up Foundation raising £8.3m for Syrian refugee education

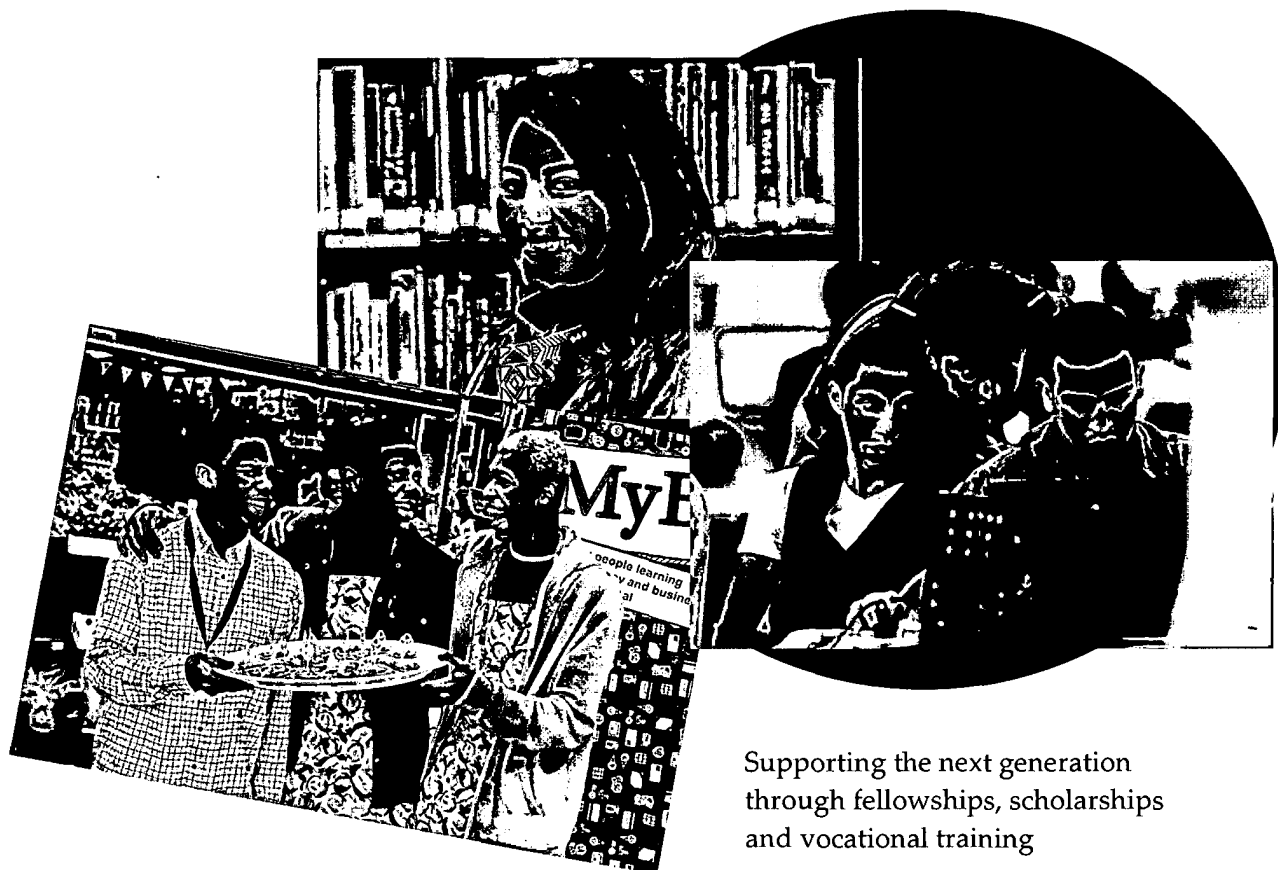


Supporting higher education opportunities for Syrian refugees

Championing the
White Helmets
(2016 Nobel Peace
Prize nominees)



Ayman and Sawsan Asfari were awarded the 2016 Physicians for Human Rights Award for the Foundation's work on Syrian civil society



Supporting the next generation
through fellowships, scholarships
and vocational training

CONTENTS

Organisational directory	5
Message from the Founders	6
CEO's summary report	7
TRUSTEES' REPORT	8
Who we are and what we do	9
Objectives and programmes	10
Highlights of 2016	11
2016: Impact of grants	12
Youth Empowerment Programme	13
Civil Society Programme	16
Relief Programme	18
Plans for 2017	20
Partner list	21
Financial review	22
Structure, governance and management	25
Statement of Trustees' responsibilities	27
Independent auditor's report	28
2016 ACCOUNTS	30
Statement of financial activities	31
Balance sheet	32
Statement of cash flows	33
Notes to the financial statements	34
Appendix: Grants payable analysis for 2016	47

ORGANISATIONAL DIRECTORY

Trustees Mr Ayman Asfari (Chair)
Mrs Sawsan Asfari
Mr Adeeb Asfari
Mr John Ferguson FCA
Dr Marwan Muasher

Chief Executive Officer Ms Marieke Bosman

Charity number 1116751

Company number 5938633

Registered office Acre House
11-15 William Road
London
NW1 3ER

Auditors H W Fisher & Company
Acre House
11-15 William Road
London
NW1 3ER

Bankers Metro Bank
1 Southampton Row
London
WC1B 5HA

EFG Bank AG
Bleicherweg 8
PO Box 6012
8022 Zurich
Switzerland

Solicitors Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

MESSAGE FROM THE FOUNDERS



We settled in England decades ago. We are both keenly aware of how fortunate we have been in escaping the tragedy and destruction caused by war, occupation and poor governance in the Arab region. We also realise the importance of a strong civil society and the rule of law, of exposure to diversity and tolerance, and the lasting impact of a good education.

We established the Asfari Foundation in 2006, after years of reactive giving. We wanted to create a long-term impact that focused on the issues we felt most passionately about—education, and the building of a strong civil society which is the foundation for any fair, resilient, sustainable and productive society.

We are proud of what the Foundation has accomplished in its short life. Whilst there is no limit to what should be done, especially in the countries we originally come from, through our partners we have provided scholarships, fellowships and training to hundreds of young people across the UK and the Middle East; established the Asfari Centre for Civil Society and Citizenship at the American University of Beirut; and provided relief and education to tens of thousands of Syrians, displaced following the recent uprising, to name just a few projects.

Young people deserve a good education and the right to live in tolerant and pluralistic societies. So much ability cannot be wasted. Hope for a better life will not die in the face of today's grim realities, especially in the Middle East. We want to play a small role in realising the potential of the youth, to realise our shared dreams of a safer, more inclusive and happier tomorrow.

The Foundation's important work would not be possible without the support of the Foundation's Trustees, staff and consultants and in particular our many capable partners. We would like to thank you all for your continued support and cooperation.

Sawsan and Ayman Asfari

CEO'S SUMMARY REPORT

We had hoped so very much that in 2016 we and our partners could start to rebuild a more democratic, peaceful Syria for all its citizens. Unfortunately, these hopes were dashed once more. The Foundation therefore continued to provide emergency aid to Syrians in need in 2016, but with them, we also started to look beyond the emergency to the future of their children and of their country. A successful future Syria needs educated young people and a strong civil society – and that is what we support as a Foundation.

Our main achievement in education in 2016 was the Hands Up for Syria Appeal we organised with the Said and Hands Up Foundations. The Appeal raised £4.15m from generous donors, which was matched by the Asfari and Said Foundations. This allowed us to donate £8.3m to Save the Children, the International Rescue Committee and UNHCR to provide education to thousands of Syrian children and young people in Syria and neighbouring countries over the next three years. But we helped many other education projects in 2016, ranging from nurse assistant training for young people in Lebanon, to Turkish language training for Syrian refugees, and employment skills training for young people in the North of England; these are set out in this report.

Two civil society projects stand out in 2016. The Foundation actively champions Syrian civil society activists such as the White Helmets, Syria's humble and courageous civilian rescuers. In 2016, we asked Nobel Peace Prize nominators to consider the White Helmets for the Nobel Peace Prize, which they came very close to winning. We subsequently supported the Syria Campaign to raise some \$9m for a "people's prize" for injured White Helmets and the families of rescuers who died in service. Secondly, there are many young Syrian women who have been thrust into leading new Syrian civil society organisations. Leading a new organisation without much training is difficult at the best of times, but these leaders are doing so in the midst of a conflict. The Foundation organised a training course for such leaders in conjunction with Columbia University: the course focused on leadership and self care skills and peer support. We supported many other civil society projects in 2016, including educational visits to Washington DC for civil society practitioners; research projects on civil society issues, and training for young journalists. We were honoured that Ayman and Sawsan Asfari were awarded the 2016 Physicians for Human Rights Achievement Award for their work on civil society.

2016 was the Asfari Foundation's tenth anniversary year. In 2017, we will review our first ten years to see how we can continue to effectively support young people and civil society to create change for good.

Marieke Bosman



**TRUSTEES' REPORT FOR
THE YEAR ENDED
31 DECEMBER 2016.**

The Trustees present their report and accounts for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts, the Companies Act 2006 and the Statement of Recommended Practice (SORP) 'FRS 102', issued in January 2015.

WHO WE ARE

The Asfari Foundation is a young and energetic British grant-making charity set up and funded by Sawsan and Ayman Asfari. We believe in young people. We know that, empowered by a good education and opportunities, young people can create very positive change in their communities and the world at large. Our vision is for a world in which educated, tolerant young people are actively engaged in creating productive and open societies.

When young people come together in civil society organisations, their impact extends, and we therefore also support civil society practitioners and strengthen civil society organisations.

WHAT WE DO

We identify, develop and fund ideas that deliver change for thousands of young people from Syria, Lebanon, Palestine and the UK. In 2016, we made grants to 55 international, national and local partners that share our goals and values. Together, we worked on some of the key issues of our time: the crisis in Syria; youth education and employment; and the development of citizenship and civil society resilience.

Our work is based on the following values:

- **Passion:** We care deeply about the communities we work with, and this drives our work and approach.
- **Diversity:** We believe diversity is key to a successful society; we will work to ensure diversity in the Foundation and in the projects we fund.
- **Partnership:** We will listen to, share learning with, and create linkages between our partners to improve our work and theirs.
- **Excellence:** We strive for professionalism and excellence in our work and that of our partners.
- **Fairness:** We aim to be fair in our procedures and open about our successes and failures, and expect the same from our partners.



Campaign Bootcamp, UK

OBJECTIVES AND PROGRAMMES

In 2016, the Foundation reviewed its Articles of Association to ensure that they were still relevant to needs in its target countries and that they continued to be compliant with charitable laws and regulations. The Foundation's charitable object as set out in its new Articles of Association, is to further such charitable objectives as the Trustees in their absolute discretion see fit but to include the following:

- The advancement of education in any part of the world and in particular of young people from Syria, Lebanon Palestine and the UK including without limitation by establishing and supporting schools, universities and other educational facilities, commissioning, supporting or promoting research and publishing in any media the results of that research, publishing any other educational materials, organising conferences, providing grants and scholarships for individuals, schools and universities to support underprivileged children to pursue education.
- The prevention and relief of poverty for the public benefit in any part of the world in particular but not exclusively from Syria, Lebanon, Palestine and the UK including without limitation by raising awareness about poverty, the provision of grants to organisations providing nutritional, medical, shelter and other relief items and services to young people in need who have been affected by man-made or natural emergencies and/or charities, or other organisations working to prevent or relieve poverty.
- The promotion of civic responsibility, good citizenship and community development for the public benefit in particular but not exclusively for the benefit of young people and civil society organisations from Syria, Lebanon, Palestine and the UK.
- The advancement of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations), conflict resolution or reconciliation and the promotion of equality and diversity for the public benefit anywhere in any part of the world and in particular for young people from Syria, Lebanon, Palestine and the UK.

The Foundation delivers on its objectives through three main programmes:

The **Youth Empowerment Programme** aims to help young people gain a good education and make a successful transition to a productive, engaged adulthood. We give grants to partners who:

- Enable young people to move from education into employment and enterprise, including in the UK.
- Give Syrian and Palestinian refugee students in Turkey, Lebanon and Palestine access to vocational and higher education.
- Improve education systems in our target countries.

The **Civil Society Programme** aims to encourage the development of strong and resilient civil societies that work for the common good. Our partners:

- Provide professional development opportunities to young civil society activists.
- Facilitate networking between civil society organisations and individuals.
- Encourage research on civil society, particularly by young Arab writers.
- Strengthen civil society in our target countries.

The **Relief Programme** supports young people affected by emergencies and is largely focused on the Syrian crisis. With our partners, we:

- Practically support young people living in emergency situations inside Syria and in neighbouring countries.
- Educate young refugees in countries neighbouring Syria.
- Support Syrian civil society, strengthen and showcase its work, and help Syrian civil society activists communicate their visions of a peaceful, democratic future for Syria.



2016 IN NUMBERS

The White Helmets, Syria

22,000

people supported in our target countries

17,000

Syrians were helped to survive conflict and work towards a better future

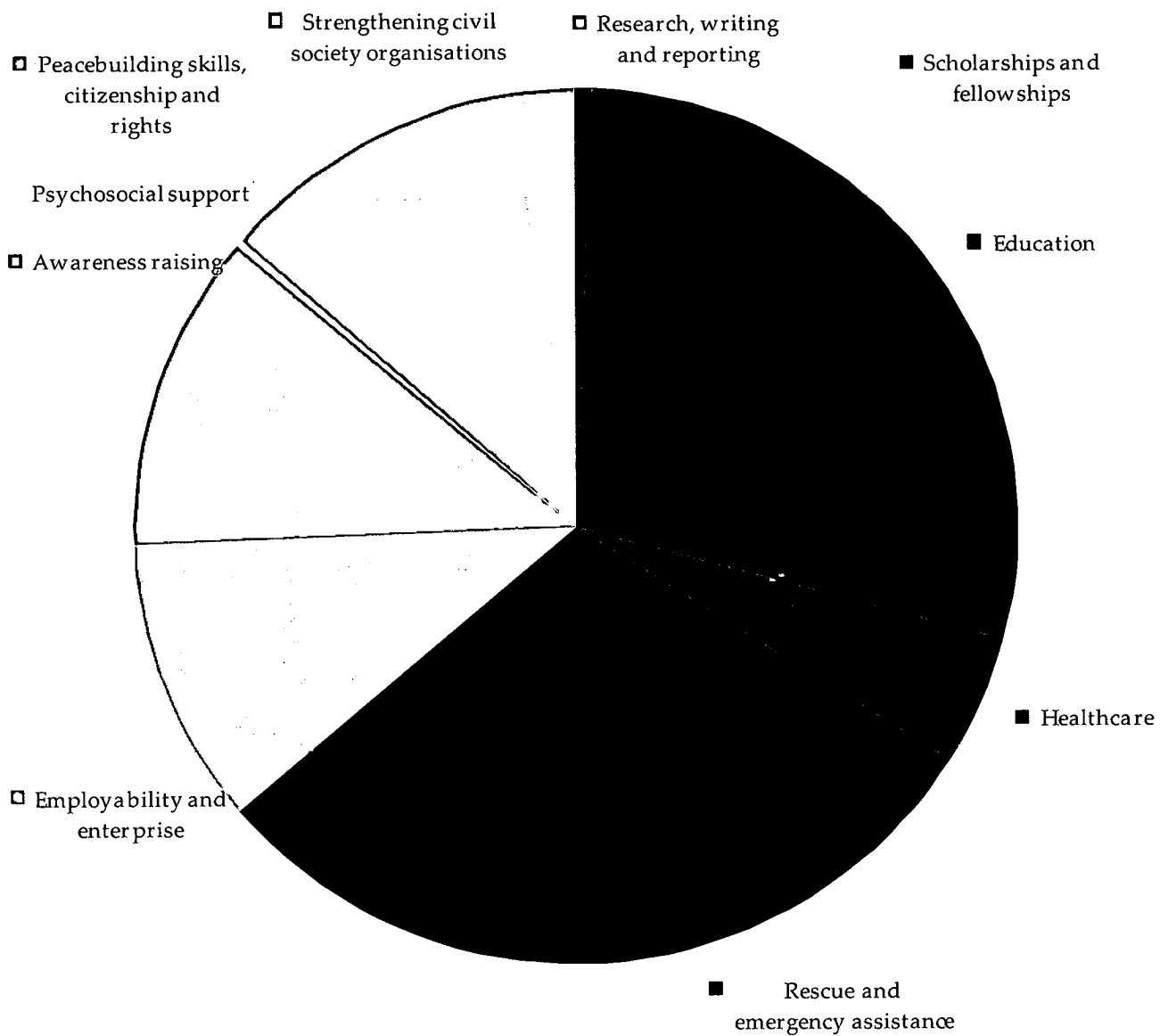
147

young people empowered through scholarships or fellowships

55

organisations enabled to carry out their projects

2016: Impact of grants by number of beneficiaries





YOUTH EMPOWERMENT PROGRAMME

In all four of the Foundation's target countries, barriers to quality education continue to pose a serious challenge. For many young people, unemployment after leaving education is also a serious risk, with prohibitive labour laws restricting opportunities for refugees in particular. The Foundation is tackling these challenges head on by supporting scholarships, online education and employability skills training.

During 2016, grants were made by the Youth Empowerment programme to 25 partner organisations reaching Syrian young people in Lebanon and Turkey, Palestinians (including young Palestinian citizens of Israel) and young people across the UK. This included partnerships with higher education institutions and scholarship providers under the Foundation's Refugee Scholarships and Education sub-programme, which enabled some 128 Syrian, Palestinian and Palestinian-Syrian refugees opportunities to continue their higher education. Partners included the Galilee Foundation, Oxford Brookes University, Jusoor and Spark.

The Foundation supported a number of partners through its Youth Employability and Enterprise sub-programme. In the UK, the Foundation worked to enable at least 1,600 disadvantaged young people to gain key employability skills through a number of partners, including MyBnk, Spark Hounslow, Street League, Teens and Toddlers, Tomorrow's People, UK Youth and Volunteer it Yourself. The Foundation also supported employability and enterprise training for over 500 young people in the Middle East, by partnering with the Arab Culture Association, Alfanar, Education for Employment, Gaza Sky Geeks (through Mercy Corps Europe) and the Child and Mother Welfare Society. Through a new Youth Empowerment sub-programme, Improving Education Systems, the Foundation supported the training of 20 Syrian teachers in Lebanon through the Lebanese Association for Scientific Research. It also supported a pilot higher education project for Syrian refugees in Za'atari Camp in Jordan through the Jamiya Project, and teacher training using theatre skills in the Beqaa Valley (Lebanon) through Seenaryo, as well as Ad.Dar Centre, which provided language skills and education for Syrian refugees in Istanbul.

One of the major achievements of the year was the Hands Up for Syria Appeal, hosted in partnership with the Said Foundation and the Hands Up Foundation. Together with pound for pound match funding from the Asfari and Said Foundations, £8.3m was raised for Save the Children, the International Rescue Committee and the UN Refugee Agency (UNHCR), to be spent on educating Syrian children and young people in Syria and the surrounding countries. Beneficiaries of the first tranche of funding in 2016 included 55 Syrian undergraduates in Lebanon and Jordan (UNHCR), 4,000 Syrian children aged 3-16 supported with remedial and early childhood education in Syria and Lebanon (through the International Rescue Committee), and 1,800 Syrian and Lebanese 3-6 year olds in Lebanon, who will be supported by Save the Children to develop the literacy and maths skills they need to prepare them for school. The Foundation also supported the education of younger Syrian refugee children in the Beqaa through Al Madad Foundation and Sonbola for Education and Development.

Kick-starting employability



Street League, UK

In 2016 the Asfari Foundation supported UK charity Street League's work with young, unemployed people in Manchester. Street League's vision is to help see an end to youth unemployment. This is achieved through the power of sport. Its mission is to deliver a combined sport and employability programme helping disadvantaged young people to achieve sustained outcomes. Street League's award winning programme helps young unemployed people aged 16-24 gain key skills, confidence and qualifications while being supported to progress into work, education or training.

Leo, 19, arrived in the UK in 2013 from Iran. Struggling with the English language, Leo could not find work and was in need of support. Street League appealed to him immensely as he could play football, meet new people and, hopefully, move into work at the end of the Academy programme. Leonardo did just that: after graduating from the Street League Academy, he secured a job at the National Football Museum in Manchester.

With Asfari Foundation support, 80 young people participated in Street League's Birmingham project, gaining the skills and confidence they need to move into the world of work.

"I trust Street League and it has had a massive influence on what I am achieving now."

Leo, Street League participant

The coolest place in Gaza

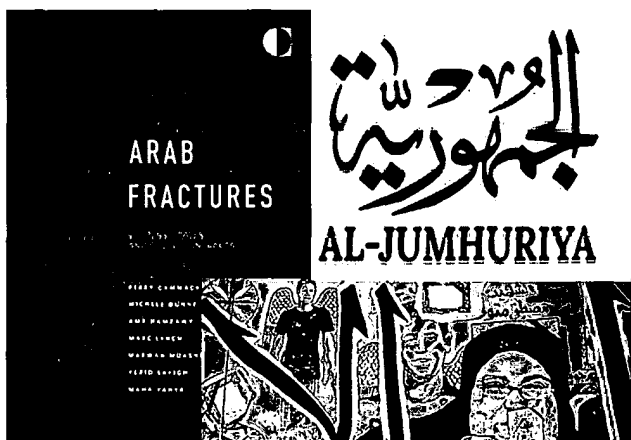
Gaza Sky Geeks is Gaza's first startup incubator and co-working space. Launched by Mercy Corps in 2011, Gaza Sky Geeks has been working tirelessly to grow Gaza City's technology and startup ecosystem, with the long term goal of turning Gaza into a regional hub for software development and online services. While unemployment rates in Gaza are the highest in the world, especially among young people, tertiary education levels are also some of the highest in the region. High speed fibre internet allows Gazans to sell their online products and services beyond Gaza's borders, which have been closed for over a decade. The internet is the one tool that gives Gazans limitless access to the rest of the world, providing them with opportunities to learn new skills and create their own online businesses.

The Asfari Foundation partnered with Gaza Sky Geeks to expand its services to more young entrepreneurs in Gaza. By 2014, the programme was already oversubscribed and lacked proper space to hold workshops and enough desks to host all of the online freelancers and entrepreneurs. With support from the Foundation, Gaza Sky Geeks was able to double the number of desks and build a proper co-working space with an open floor plan that would allow young men and women to work side-by-side out in the open. In March 2016, the programme opened one of the most vibrant, creative, and popular co-working spaces in downtown Gaza City. The space is known as "the coolest place in Gaza" and provides desk space, internet and electricity for an average of 45 entrepreneurs, small companies and freelancers on a daily basis, in addition to hundreds of others from the community who attend daily educational workshops. The new space allows for the hosting of events big and small, including a coding club for young girls and Gaza's first ever hackathon. Gaza Sky Geeks also brings international mentors to train and support entrepreneurs in Gaza, has hosted over 100 competitions and training sessions, and created one of the most women-inclusive tech startup environments in the world. Through Gaza Sky Geeks, many startups have secured funding and seen success, including the popular mobile game studio Baskalet. In 2016-17, the programme will focus on expanding its impact as a community hub for coding and software education, one that leads to higher income earning opportunities for Gazan entrepreneurs. Many more exciting areas of work lie ahead as Gaza Sky Geeks seeks to expand opportunities to all Gazans to earn an income thanks to the power of the internet.



Gaza Sky Geeks, Gaza

CIVIL SOCIETY PROGRAMME



Support for civil society in the Arab region is vital during this critical period of conflict, crisis and uncertainty. The Foundation is providing civil society practitioners with much needed training opportunities that are not readily available in the region. It also provides their organisations with funding, skills, networks and knowledge to enable them to sustain themselves and establish the basis of a more peaceful and democratic future for the region.

In 2016, the Foundation supported 22 civil society projects. Through its Bursaries and Fellowships sub

programme it enabled ten young leaders from the Levant to increase their capacity by studying at Chatham House, the Refugee Studies Centre at the University of Oxford, and at Columbia Business School. It also designed and held a workshop for ten female Syrian civil society leaders in partnership with Columbia University's Global Center in Turkey.

Through its Research, Writing and Reporting sub-programme, the Foundation continued to support a number of initiatives producing research on Syria and the wider region. This included the Centre for Syrian Studies at St Andrews; the Atlantic Council's SyriaSource blog; the production of research on the key challenges facing the Middle East by the Carnegie Endowment for International Peace; and the mentoring of ten emerging young Syrian journalists and writers by Jumhuriya. It also partnered with the Circle of Women to support the Marie Colvin Journalists Network, an online mentoring community for 39 female Arab journalists.

Under its Networking and Convening sub-programme, the Foundation continued to work to enable civil society groups and individual practitioners to come together to collaborate on leading social change. To this end, the Foundation partnered with Chatham House to establish the Asfari Centre, a multi-purpose training room for its Fellows that will open in 2017. It also supported the Syrian Centre for Reconciliation, Dialogue and Peace to train Syrians on conflict resolution; the Middle East Institute on bringing ten Syrian civil society leaders to the US to meet with policy makers, the media and NGOs; and Global Dialogue's establishment of a Syria Working Group, which aims to bring together philanthropists and private donors who are interested in working on Syria.

As part of its Strengthening Civil Society Organisations sub-programme, the Foundation continued to fund the Asfari Institute for Citizenship and Civil Society at the American University of Beirut, and to support the organisational growth of the Hands Up Foundation, which partnered with the Foundation on the 2016 Hands Up for Syria Appeal. The Foundation established and continued partnerships with a number of civil society organisations including Baladna, Dawlaty, the Lebanese Centre for Active Citizenship, Physicians for Human Rights, the Syrian League for Citizenship, and the Syrian Violations Documentation Centre, enabling these organisations to sustain and expand their vital work through core funding.

Networks of Syrian solidarity

The Asfari Foundation, like many organisations working with Syrian civil society, was aware that a growing number of female Syrian civil society leaders are under a huge amount of strain. Many are taking responsibility for large teams of refugee staff working with traumatised communities while themselves being traumatised by their own experiences of war. It was clear that such leaders could benefit from some respite and leadership training and with this in mind, the Foundation and Columbia Global Center Turkey designed a retreat for female Syrian civil society leaders to blend leadership training, self-care and peer-to-peer support. Its purpose was to create a safe haven away from daily stresses to focus on strengthening leadership skills, connect and exchange experiences with other women leaders, and establish a mechanism for long-term support and mentorship. Ten Syrian women, coming from Turkey, Lebanon and Syria, leaders participated:

“Perhaps the most important gain from those five days was the feeling that we are not alone: the belief that after this retreat, we did not only acquire a certificate and some hard skills, but a better understanding of ourselves, and a safe network of women who recognise our struggles, and whom we can rely on as we continue in our journeys toward freedom, justice, and equality.”

Dr Rouba Mhaissen, Sawa for Development and Aid (course participant)



CEO leadership workshop, Turkey

RELIEF PROGRAMME

Sawa for Development and Aid, Lebanon

In 2016 we continued to provide practical assistance to young Syrians who had been internally displaced or were refugees in neighbouring countries. We provided support to the *Migrant Offshore Aid Station*, who rescued 1600 refugees at sea and provided medical assistance to Syrian refugees in rural areas of Lebanon through urgent care centre clinics set up by the Medical Center of the American University of Beirut. In December, we set up a matched fundraising appeal with IRC to provide cash assistance to 962 Syrian families (5020 people) fleeing to Idlib after the violence in Aleppo. We also supported a rehabilitation project for severely disabled Syrian children through the Ghassan Kanafani pre-school in Mar Elias camp in Beirut and two small exhibitions, one raising awareness about the crisis in Syria organised by Making Light at Exeter University, and the other raising funds for the White Helmets through an exhibition in London by a young British artist.



While the Foundation continues to alleviate the needs of Syrians for practical emergency assistance, like most Syrians, we are increasingly aware that the Syrian crisis is unfortunately likely to continue for some time and that Syrian parents are very concerned that their children are not only fed, but also educated. Therefore, our support to Syrian young people is increasingly provided through our Youth Empowerment Programme, which includes various educational projects to help Syrian young people return to or stay in secondary education, pursue higher education or make the transition into employment or entrepreneurship. Information on these projects can be found in the Youth Empowerment Programme section.

At the Foundation we believe that civil society is crucial to functional and free societies. We are very encouraged and humbled by the many impressive Syrian civil society organisations that have sprung up since the Syrian crisis started and that are providing crucial, emergency aid to fellow Syrians. We believe these organisations are key to a better future for Syria. The Foundation therefore wishes in particular to support Syrian civil society organisations to deliver aid and to become resilient. In 2016, we supported various Syrian organisations through projects under the Youth Empowerment and Civil Society Programmes, and also supported Sawa for Development and Aid to provide psychosocial support and vocational training to Syrian young people in the Bekaa and paid for the training of Syrian doctors by Dr Annie Sparrow organised by the Syrian American Medical Society.

We believe it is important that people outside Syria are made aware of the courage and resilience of Syria's civil society activists and the wonderful work they do for other Syrians; we believe this helps to raise funds to support them and it also counters the negative media stereotypes of Syrians. An excellent example of Syrian civil society is the White Helmets, a volunteer group who rescue people from buildings that have been bombed. In 2016 we asked eligible nominators (including the tragically murdered British MP Jo Cox) to nominate the White Helmets for the Nobel Peace Prize. We were delighted by the positive response, by how close the White Helmets came to winning, and by the publicity this created for the brave rescue workers. We supported the Syria Campaign to subsequently raise funds from the public (in lieu of the monetary prize the White Helmets would have won) and by the end of 2016 this had raised US\$9.2m. The Syria Campaign also supported a film director to make a documentary about the White Helmets which subsequently won the Oscar for Best Short Documentary at the 89th Academy Awards.

Responding to crisis: cash relief for Syrians fleeing Aleppo

In December 2016, the Asfari Foundation supported the International Rescue Committee's (IRC) Aleppo Appeal by matching donations made by the public up to £100k. Fighting in Aleppo started in 2012. In late 2016, regime forces took control of the east of the city following months of besiegement and aerial bombardment. The situation forced many Aleppo residents to flee the city in search of refuge. Reaching Al Dana, a town in Syria's Idlib province, families were living in dire conditions with most arrivals being women, children or the elderly. The match-funding raised through the Asfari Foundation helped the IRC identify and support families, providing emergency cash relief of approximately £100 to cover their basic needs. Overwhelming evidence shows that cash transfers reach people in need faster and at a lower cost, while preserving people's dignity and ability to make the best choices under the circumstances for their families. Cash transfers not only enable families to cover their basic needs but also to boost the local economy by people using local shops instead of receiving boxes of goods from abroad. With support from the Asfari Foundation and the donations from the public, in 2016 and early 2017 the IRC reached almost 3,000 households in Idlib with cash assistance.

"I fled to Turmanin from Aleppo two and a half months ago. The situation in Aleppo is very tough especially for young children (cold weather, hunger, shelling). My kids used to sleep hungry. Four families including 12 persons live in two rooms. My husband works in a stone sawmill in order to support all four families. The situation in Turmanin is better than it is in Aleppo. We lost our homes [in Aleppo] and [now] live in a rented house. I am afraid to send my children to school because of the shelling. I thank all the organisations which helped us, and I thank the IRC."

IRC beneficiary



International Rescue Committee, Syria

PLANS FOR 2017

In 2017, the Foundation plans to:

- Hold a Strategic Review and Programme Evaluation to assess the impact of the Foundation's work over the past ten years and see how it can sharpen and improve its impact.
- Develop further its monitoring and evaluation systems for its grant making programmes.
- The Foundation's Youth Empowerment Programme will continue to fund projects that enable disadvantaged young people to access opportunities for education, employment and enterprise. Having made the difficult decision to suspend its UK Masters programme last year to instead support scholarships for Syrian young people at universities in Lebanon and Turkey, it will look into finding ways to leverage its funds to support as many students as possible.
- The Civil Society Programme will continue to support emerging civil society leaders in the Foundation's target countries and strengthen civil society in the Foundation's target countries through research, reporting, networking and the exchange of ideas. We aim to hold a partner workshop in the Arab region with a selection of civil society experts from the Arab region, focusing on how the Asfari Foundation and other donors can continue to support civil society in the Arab world at this time of transition.
- Award an Alumni Award as part of its ten year anniversary celebrations. The first and two runner up prizes will be awarded to former scholarship, fellowship and bursary recipients who have contributed the most to the development of their home country or the wider region.
- Appoint a Head of Programmes to work with the Programmes Team to maximise results of the Programmes, respond appropriately to the changing context and develop innovative new approaches that benefit its target countries further.
- Set up better and safer IT systems, including the development of a single organisational information system to provide an integrated source of information to support its work.

PARTNER LIST 2016

Youth Empowerment

Ad Dar Centre
Alexandria Trust
Alfanar
Al Madad Foundation
Arab Culture Association
Child and Mother Welfare Society
Education for Employment
Galilee Foundation
Gaza Sky Geeks (Mercy Corps)
International Rescue Committee
Jusoor
Lebanese Association for Scientific Research
MyDrik
Oxford Brookes University
Ideals
Save the Children
Secnaryo
Sonbola
SPARK
Spark Hounslow
Street League
Teens and Toddlers
Tomorrow's People
UNHCR
UK Youth
Volunteer it Yourself

Civil Society

Atlantic Council
Asfari Institute for Civil Society and Citizenship at AUB
Baladna
Carnegie Endowment for International Peace
Circle of Women
Columbia Business School
Columbia Global Centers
Chatham House
Dawlaty
Global Dialogue
Hands Up Foundation
Jumhuriya
Lebanese Centre for Active Citizenship
Middle East Institute
Physicians for Human Rights
Refugee Studies Centre
St Andrews University Centre for Syrian Studies
Syrian Centre for Reconciliation, Dialogue and Peace
Syrian League for Citizenship
The Syria Campaign (fundraising for The White Helmets)
The Syrian Violations Documentation Centre

Relief

AUB Medical Center
Coin Street Community Builders
Ghassan Kanafani Cultural Foundation
Icahn School of Medicine
International Rescue Committee
Making Light
Migrant Offshore Aid Station
Sawa for Development and Aid

FINANCIAL REVIEW

Income

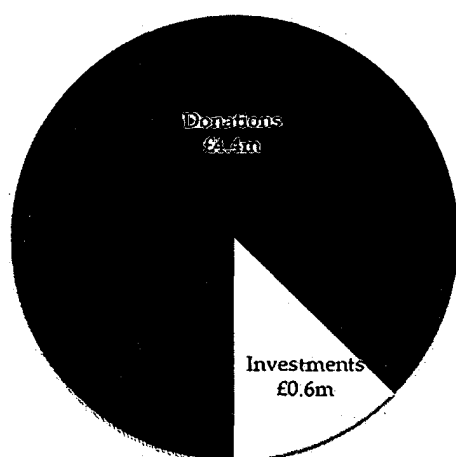
Total income for 2016 amounted to £5mn (2015: £3.4m). Donations from the Asfari family constitute the principal source of income for the Foundation. Over the years the family has made substantial gifts to the charity. The Foundation does not actively fundraise although an occasional special event may be held to raise funds for other charities, such as the 2016 Hands Up for Syria Appeal.

The Foundation also receives income from its investments comprising rental income from an investment property, returns from financial holdings in shares and funds, and interest income.

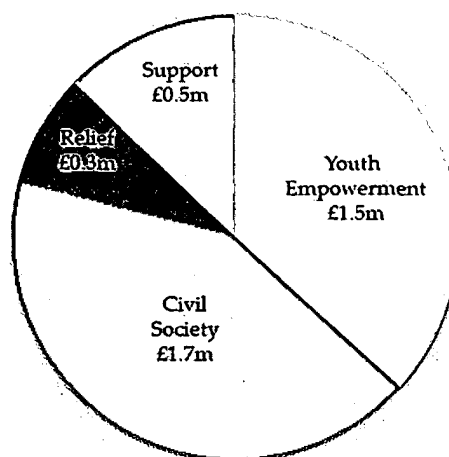
Expenditure

Total expenditure on charitable activities for 2016 was £4m (2015: £3.6m). Of this total, some £3.5m (2015: £3.1m) was spent on grants awarded across the Foundation's programmes. Support costs to run the organisation amounted to £0.5m (2015: £0.6m). As most of the Foundation's relief work is focused on education and civil society, a number of grants for relief activities were managed under the Youth Empowerment and Civil Society programmes in 2016.

Sources of Income



Expenditure



Funds position

At the year end 2016 the Funds of the Foundation are entirely unrestricted and amount to £13.5m (2015: £11.7m). The Foundation aims to grow its endowment fund over time. During 2016 some £1.8m (2015: £0.3m) was added, arising from a combination of net income and net gains on investments.

Reserve policy

The Trustees of the Foundation have established a Reserves Policy which stipulates that it should maintain liquidity to fund at least six months of costs. The Foundation utilises its income as much as possible within the financial year but holds some funds within investments to cover future commitments. At the end of 2016 the Foundation's free reserves were £13.5m (2015: £11.7m), £7.6m (2015: £7.5m) of which are held in investment property and £4.9m in listed investments (2015: £4.3m).

Investment policy and performance

To mitigate financial risk the Trustees deemed it prudent to develop an investment policy for the longer-term sustainability of the Foundation. This will continue to be developed to match the strategic goals for the organisation.

The Asfari Foundation has three investments, in both property and shares. In 2013 the Foundation bought two floors in Ames House in St James's, London. The property is leased to Chatham House allowing the Foundation to receive rental income. The Asfari Foundation also has Shell shares and an investment originally with TOSCA property, now regional REIT, from which the Foundation receives a dividend. Regional REIT's commercial property portfolio is wholly in the UK and comprises, predominantly, a varied portfolio of quality offices and light industrial units located in the regional centres of the UK.

In the near term the Foundation's investment objective is growth. Longer term (>10yrs) the objective is to provide income to support the Foundation's programme expenditure. In the short term the portfolio is heavily weighted towards UK property and is all held in sterling. The fund will be diversified over time as further investments are made by the Foundation.

Risk management

A full risk register is managed by the Foundation and, for each risk, specific mitigations are put in place. The risk register is regularly reviewed by the CEO and the team to ensure risks are appropriately managed. The risk register is reviewed by the Trustees on an annual basis.

For 2016, the following risks to the Foundation were identified by Trustees and staff, and the following controls were in place for active risk management.

Risk	Mitigations
<p>Strategic impact</p> <p>Impact is affected by ambition or insufficient governance.</p>	<ul style="list-style-type: none"> • Regular review of programme alignment with objectives and needs. • Diverse and experienced Board, provided with regular information. • Regular Board meetings to review progress.
<p>Safeguarding assets</p> <p>Reliance on limited income streams and insufficiently productive investments limit the Foundation's plans.</p>	<ul style="list-style-type: none"> • Close relationship with the Foundation's donor. • Development of a productive and low risk investment portfolio that is regularly reviewed. • Further diversification of portfolio. • Use of expert advice.
<p>Capability</p> <p>Work is affected by staff capacity, recruitment and retention, loss of knowledge or infrastructure.</p>	<ul style="list-style-type: none"> • Efficient recruitment, good staff benefits and regular training and reviews. • Technical manuals. • Use of expert consultants.
<p>Compliance and banking</p> <p>Growing international scrutiny around particular countries complicate compliance with financial and charity regulations.</p>	<ul style="list-style-type: none"> • Detailed vetting and monitoring of all partners through procedures and regular visits. • Close monitoring of changes to charitable regulations. • Framework of internal controls. • Legal advice where necessary.
<p>Reputation</p> <p>The Foundation is brought into disrepute.</p>	<ul style="list-style-type: none"> • Careful management of charitable activities. • Experienced and reputable Board. • Ensure positive internet footprint.
<p>Safeguarding</p> <p>Failure to protect staff from the risk of death, serious injury or other threats while visiting partners.</p>	<ul style="list-style-type: none"> • Advance risk planning for travel. • Advice sought where necessary. • No travel to very insecure areas. • Clear contracts for consultants setting out responsibilities on safety and insurance.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Asfari Foundation is a company limited by guarantee (company number 5938633) and a registered charity (charity number 1116751). It was set up in September 2006 by the Asfari family and is governed by its Memorandum and Articles of Association.

The Foundation's Articles of Association provides for a minimum of three Trustees, who are also the directors for the purpose of company law. Trustees are chosen for their mix of skills and abilities to ensure that the overall governance is sound and meets its legal and moral obligations. During 2016 the Trustees were:

Mr Ayman Asfari
Mrs Sawsan Asfari
Mr Adeeb Asfari
Mr John Ferguson
Dr Marwan Muasher

None of the Trustees has any beneficial interest in the company. The Trustees guarantee to contribute £1 in the event of a winding up.

The Board of Trustees met three times in 2016 to agree the broad strategy and areas of activity for the Foundation, including consideration of grant making, investment, reserves, and risk management policies and performance. Some decisions were made by email communication between meetings.

The Board of Trustees is empowered under the Articles of Association to delegate authority to sub-committees. During the year there was one sub-committee, the Investment Committee. This Committee reviews and monitors investments and makes investment decisions for the Foundation. Its mandate is set by and it reports to the Board, which ratifies the decisions reached where appropriate.

The Trustees delegate the day-to-day running of the charity to the Foundation's CEO, who manages the Foundation's delivery of programmes together with the team in London. The team is supported by technical consultants and advisors in the UK and the Arab region who have extensive relevant experience.

Grant making policies

The Asfari Foundation accepts applications from partner organisations and also identifies potential partners itself. Every partner is subject to a vetting procedure which establishes whether the organisation is experienced and reputable, shares the Foundation's goals and values, and whether the proposed project meets the Foundation's objectives and helps its target communities effectively. The Foundation only supports partners who work with others regardless of gender, religion, ethnicity, or (dis)ability.

Once the vetting process has been completed and a project agreed, a contract is drafted which sets out the responsibilities of the Foundation and of the partner organisation. When this is signed, the grant is made. During the project period the partner submits regular narrative and financial reports, and staff also visit the project and keep in touch with partner staff. Partnerships tend to be between one and three years in duration subject to satisfactory progress. Results are measured both in terms of outputs (eg students supported) but also through outcomes such as changes in the lives of target groups and communities. The Foundation regularly reviews and evaluates its programmes and operational work.

For all partnerships involving scholarships, fellowships and bursaries, the Foundation has careful procedures to ensure that these opportunities are advertised openly and broadly. The applicants are carefully and fairly selected on the basis of need and their future contribution to their community or country. Selection procedures include a formal application and panel interviews. Agreements are signed with successful candidates setting out what the Foundation expects from them, and they are required to report to the Foundation at regular intervals. The Foundation keeps in close touch with its scholars through visits, emails and phone calls, and will continue to do so after scholars graduate. While good progress during the scholarship is considered positive, the Foundation views the future success and community contribution of the scholars as the true outcome of the scholarships, fellowships and bursaries.

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. Both the nature of the Foundation's programmes, with their focus on helping disadvantaged young people through education and into employment, its work on strengthening civil society (which then in turn helps others), and the relief work it provides to people facing emergencies clearly serve public benefit. Moreover, its stringent selection criteria and process for scholarship students (open recruitment of partners and students, based on merit, need and promise) and its vetting process for partner organisations, further ensures public benefit.

Audit information

There is no relevant audit information of which the charitable company's auditor is unaware. The Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

HW Fisher & Company were appointed auditors to the company and, in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the members.

On behalf of the Board of Trustees

Mr Ayman Asfari

Chairman



Dated:15/09/2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees, who are also the directors of the Asfari Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

We have audited the financial statements of The Asfari Foundation for the year ended 31 December 2016 set out on pages 31 to 46. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 28, the Trustees, who are also the directors of The Asfari Foundation for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; 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.

Andrew Rich (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

27/9/17

2016

ACCOUNTS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<u>Income and endowments from:</u>					
Donations and legacies	3	4,403,587	35,963	4,439,550	2,932,236
Investment income					
	4	637,153	-	637,153	485,328
Other income	5	3,400	-	3,400	8,839
Total income and endowments		5,044,140	35,963	5,080,103	3,426,403
<u>Expenditure on:</u>					
Charitable activities	6	3,980,731	34,677	4,015,408	3,638,106
Total resources expended		3,980,731	34,677	4,015,408	3,638,106
Net incoming resources before transfers		1,063,409	1,286	1,064,695	(211,703)
Net gains on investments	11	782,698	-	782,698	506,914
Gross transfers between funds		1,286	(1,286)	-	-
Net movement in funds		1,847,393	-	1,847,393	295,211
Fund balances at 1 January 2016		11,668,649	-	11,668,649	11,373,438
Fund balances at 31 December 2016		13,516,042	-	13,516,042	11,668,649

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

BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	12		3,804		4,442
Investment properties	13		7,623,600		7,461,822
Investments	14		4,889,516		4,268,596
			<hr/>		<hr/>
			12,516,920		11,734,860
Current assets					
Debtors	16	833,276		247,051	
Cash at bank and in hand		810,663		467,382	
		<hr/>		<hr/>	
		1,643,939		714,433	
Creditors: amounts falling due within one year	17	(644,817)		(780,644)	
		<hr/>		<hr/>	
Net current assets/(liabilities)			999,122		(66,211)
			<hr/>		<hr/>
Total assets less current liabilities			13,516,042		11,668,649
			<hr/>		<hr/>
Income funds					
Unrestricted funds			13,516,042		11,668,649
			<hr/>		<hr/>
			13,516,042		11,668,649
			<hr/>		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 15/09/2017 and are signed on its behalf by:



Mr Ayman Asfari (Chair)
Trustee

Company Registration No. 5938633

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016		2015	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	22		(292,574)		(121,687)
Investing activities					
Purchase of tangible fixed assets	12	(1,298)		(2,935)	
Proceeds on disposal of investment property		-		584,000	
Purchase of fixed asset investments		-		(1,062,475)	
Investment income	4	637,153		485,328	
Net cash generated from investing activities			635,855		3,918
Net increase/(decrease) in cash and cash equivalents			343,281		(117,769)
Cash and cash equivalents at beginning of year			467,382		585,151
Cash and cash equivalents at end of year			810,663		467,382

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Company information

The Asfari Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, NW1 3ER, United Kingdom.

1.1 Accounting convention

These accounts have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared under the historical cost convention, modified to include investment properties and 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 accounts, 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 accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 accounts.

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 it is probable that income will be received.

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

Property income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided, net of discounts, VAT and other sales related taxes.

1 Accounting policies (continued)

1.5 Resources expended

Resources expended are recognised in the period to which they relate.

Direct charitable expenditure comprises all the expenditure relating to the activities carried out to achieve the charitable objectives.

Support costs represent costs that cannot be directly attributed to the charitable activities.

Governance costs include the costs of compliance with constitutional and statutory requirements and have been allocated to the charitable activities in the same proportions as support costs.

Staff costs and depreciation have been allocated in full to support costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office Equipment	20% Straight Line
------------------	-------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

1.10 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 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 receipts 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.

Accounting policies (continued)

1.11 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.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in the statement of financial activities.

1.13 Investments

Fixed asset investments are initially measured at cost with any subsequent change in value being recognised as a gain or loss on investments during the year.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Donations and gifts	3,872,094	35,963	3,908,057	2,738,834
Gift aid	531,493	-	531,493	193,402
	<u>4,403,587</u>	<u>35,963</u>	<u>4,439,550</u>	<u>2,932,236</u>
For the year ended 31 December 2015	<u>2,856,937</u>	<u>75,299</u>		<u>2,932,236</u>

4 Investment income

	2016	2015
	£	£
Rental income	306,302	284,723
Income from other investments	2,255	-
Fund investment income	15,214	179,505
Listed investment income	313,378	21,097
Interest receivable	4	3
	<u>637,153</u>	<u>485,328</u>

The Fund investment income relates to additional income received in 2016 from TOSCA Commercial Property Fund LP, which was re-constituted as a listed investment, Regional REIT Limited, on 6 November 2015.

5 Other income

	2016	2015
	£	£
Other income	<u>3,400</u>	<u>8,839</u>

6 Charitable activities

	2016 £	2015 £
Grant funding of activities (see note 7)	3,502,588	3,063,578
Share of support costs (see note 8)	499,820	566,728
Share of governance costs (see note 8)	13,000	7,800
	<hr/>	<hr/>
	4,015,408	3,638,106
	<hr/>	<hr/>
Analysis by fund		
Unrestricted funds	3,980,731	3,562,807
Restricted funds	34,677	75,299
	<hr/>	<hr/>
	4,015,408	3,638,106
	<hr/>	<hr/>

7 Grants payable

	2016 £	2015 £
Youth Empowerment	1,478,643	801,246
Civil Society	1,692,947	1,299,666
Relief	330,998	962,666
	<hr/>	<hr/>
	3,502,588	3,063,578
	<hr/>	<hr/>

After reviewing the Relief Programme budget for 2016, many of the grants were reallocated to either the Youth Empowerment or Civil Society Programmes based on the main type of activity of the project. Please see the Appendix on pages 47 to 49 for a detailed analysis of grants payable.

8 Support costs

	Support costs	Governance costs	2016	2015
	£	£	£	£
Staff costs	265,856	-	265,856	236,240
Depreciation	1,936	-	1,936	1,636
Office costs	122,937	-	122,937	204,007
Other Professional Services	109,091	-	109,091	124,845
Audit fees	-	13,000	13,000	7,800
	<u>499,820</u>	<u>13,000</u>	<u>512,820</u>	<u>574,528</u>

9 Trustees

Trustees directly incurred expenses borne by the Foundation of £5,096 (2015: £9,421).

The Trustees do not receive any salary or other benefit except for the re-imbursment of actual expenditure incurred in attending Board or other relevant meetings.

The Foundation aims to have a Board of Trustees that reflects first and foremost the Asfari family, but that also brings the skills and knowledge to effectively oversee the work of the Foundation. The Foundation holds regular Board audits to identify which additional skills might be useful, and based on these audits regularly identifies and invites additional members to join the Board. Trustees are given an induction pack when they first join the Foundation, and are kept abreast of the Foundation's work through regular CEO reports and other forms of communication, Board meetings and attendance of Foundation related events.

10 Employees

Number of employees

The Foundation aims to pay salaries that appropriately recognise and reward the qualifications, experience and responsibilities of its CEO and other employees, while also keeping salaries at a reasonable level between team members and compared to similar organisations in the sector. When posts are created, salary research is done with partners in the sector, through specialist agencies and salary research tools. Salaries are adjusted with increased responsibility or a change of position, and occasionally increased in line with inflation.

The average monthly number of employees during the year was:

	2016 Number	2015 Number
Managerial, administrative and programme technical	<u>7</u>	<u>6</u>

Employment costs	2016	2015
	£	£
Wages and salaries	229,292	206,242
Social security costs	27,167	21,115
Pension costs	9,397	8,883
	<hr/>	<hr/>
	265,856	236,240
	<hr/>	<hr/>

The key management personnel within the Foundation are the Chief Executive Officer (CEO) and a part-time Finance and Administration Manager (FAM). The CEO was the highest paid member of staff within the pay band £70,000 to £79,999 (2015: £60,000 to £69,999). All staff are entitled to several benefits. A key benefit is the Foundation's pension scheme, which matches staff contributions of up to 5% of qualifying earnings after completing 12 months service with the Foundation. Remuneration paid to key management personnel in 2016 totalled £107,796 (2015: £75,624).

The number of employees whose annual remuneration was £60,000 or more were:

	2016	2015
	Number	Number
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
	<hr/>	<hr/>

11 Net gains on investments

	2016	2015
	£	£
Revaluation of investments	620,920	278,000
Revaluation of investment properties	161,778	95,719
Gain on sale of investment properties	-	133,195
	<hr/>	<hr/>
	782,698	506,914
	<hr/>	<hr/>

12 Tangible fixed assets

	Office Equipment £
Cost	
At 1 January 2016	9,029
Additions	1,298
	<hr/>
At 31 December 2016	10,327
	<hr/>
Depreciation and impairment	
At 1 January 2016	4,587
Depreciation charged in the year	1,936
	<hr/>
At 31 December 2016	6,523
	<hr/>
Carrying amount	
At 31 December 2016	3,804
	<hr/>
At 31 December 2015	4,442
	<hr/>

13 Investment property

	2016 £
Fair value	
At 1 January 2016	7,461,822
Net gains or losses through fair value adjustments	161,778
	<hr/>
At 31 December 2016	7,623,600
	<hr/>

Revaluation of the property is based upon a RPI adjustment representing a 2.17% uplift (2015: 1.3% uplift). The Trustees believe this represents a true and fair view as it reflects the option of a third party to purchase the property at RPI indexed cost at a future date.

14 Fixed asset investments

	2016	2015
	£	£
Listed investments	4,889,516	4,268,596

The listed investments consist of £1,598,366 Royal Dutch Shell B shares and £3,291,150 Regional REIT Limited shares.

Movements in fixed asset investments

	Shares
	£
Cost or valuation	
At 1 January 2016	4,268,596
Valuation changes	620,920
	<hr/>
At 31 December 2016	4,889,516
	<hr/>
Carrying amount	
At 31 December 2016	4,889,516
	<hr/>
At 31 December 2015	4,268,596
	<hr/>

15 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	547,038	182,947
Equity instruments measured at cost less impairment	4,889,516	4,268,596
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	638,335	772,202
	<hr/>	<hr/>

16 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Gift Aid receivable	531,279	168,298
Other debtors	15,759	22,623
Prepayments and accrued income	286,238	56,130
	<hr/>	<hr/>
	833,276	247,051
	<hr/>	<hr/>

17 Creditors: amounts falling due within one year

	2016 £	2015 £
Taxation and social security	6,482	8,442
Grants payable	550,175	686,276
Trade creditors	14,600	41,748
Other creditors	3,196	366
Accruals and deferred income	70,364	43,812
	<hr/>	<hr/>
	644,817	780,644
	<hr/>	<hr/>

18 Restricted funds

	Movement in funds				Balance at 31 December 2016 £
	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Transfers £	
The Syria Campaign	-	35,963	(34,677)	(1,286)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	35,963	(34,677)	(1,286)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Restricted funds were donated by a third party for the benefit of the Syria Campaign.

The transfers between funds represents currency translation differences from receiving the donation and expending the funds.

19 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2016 are represented by:			
Tangible assets	3,804	-	3,804
Investment properties	7,623,600	-	7,623,600
Investments	4,889,516	-	4,889,516
Net current assets/(liabilities)	999,122	-	999,122
	<hr/>	<hr/>	<hr/>
	13,516,042	-	13,516,042
	<hr/>	<hr/>	<hr/>

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	39,500	39,500
Between two and five years	158,000	158,000
In over five years	117,745	157,245
	<hr/>	<hr/>
	315,245	354,745
	<hr/>	<hr/>

The operating lease relates to the rental of the Foundation's office over a period of 10 years.

21 Related party transactions

Ayman Asfari sits on the panel of senior advisors of Chatham House with grants being made by the Asfari Foundation to Chatham House totalling £340,000 (2015: £423,000). Chatham House are tenants in the Foundation's investment property, Ames House. Rental income of £306,000 from Chatham House was due in the year (2015: £285,000).

Ayman Asfari is on the Advisory Committee for the Atlantic Council. The Foundation awarded a £121,282 grant to the Atlantic Council in 2016 (2015: £33,333).

Marwan Muasher is the Vice President for Studies of Carnegie Endowment for International Peace (Carnegie). In June 2015, Carnegie was awarded a grant by the Asfari Foundation of \$1m over 3 years, with £263,656 being paid in 2016 (2015: £220,000). Ayman Asfari was invited to join the Board of Trustees of Carnegie on 19 August 2015 and subsequently attended his first Board meeting on 1 February 2016.

Ayman Asfari and Marwan Muasher both sit on the Board of Trustees for the American University of Beirut to whom the Asfari Foundation donated £405,000 in 2016 (2015: £380,000).

Sawsan Asfari was a Trustee of The Welfare Association to whom the Foundation donated £nil in 2016 (2015: £40,000).

Sawsan Asfari is an Advisory Board Member of the Galilee Foundation and the Syria Campaign. The Syria Campaign and the Galilee Foundation were awarded grants in 2016 (£117,677 and £24,000 respectively).

All grants paid by the Asfari Foundation are independently agreed by the Trustees collectively at a Foundation Board meeting, with Trustees with conflicts of interest declaring these in advance and not participating in related decision making.

22 Cash generated from operations	2016	2015
	£	£
Surplus for the year	1,847,393	295,211
Adjustments for:		
Investment income recognised in profit or loss	(637,153)	(485,328)
Gain on disposal of investment property	-	(133,195)
Fair value gains and losses on investment properties	(161,778)	(95,719)
Fair value gains and losses on investments	(620,920)	(278,000)
Depreciation and impairment of tangible fixed assets	1,936	1,636
Movements in working capital:		
(Increase)/decrease in debtors	(586,225)	452,474
(Decrease)/increase in creditors	(135,827)	165,683
(Decrease) in deferred income	-	(44,449)
	<hr/>	<hr/>
Cash absorbed by operations	(292,574)	(121,687)
	<hr/>	<hr/>

APPENDIX

GRANTS PAYABLE ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
<u>Youth Empowerment</u>		
UNHCR	300,727	-
Save the Children	250,000	-
International Rescue Committee	250,000	-
LASeR	109,000	44,550
Stiching SPARK	75,000	-
Gaza Sky Geeks	40,000	-
Teens & Toddlers	40,000	-
Jusoor	35,871	-
MyBnk	34,874	34,874
Alexandria Trust	30,000	-
Sonbola	30,000	-
Tomorrow's People	30,000	30,000
Education for Employment	29,985	-
Spark Hounslow	25,000	-
Alfanar	24,600	-
The Galilee Foundation	24,000	-
Volunteer it Yourself	24,000	22,500
Street League	23,281	23,281
Child and Mother Welfare Society	22,726	25,497
UK Youth	20,000	-
Ad Dar Centre	20,000	-
Al Madad Foundation	14,600	-
Medical Aid for Palestinians	12,074	126,114
Arab Culture Association	10,000	20,000
Seenaryo	6,000	-
Ideals	5,000	-
University of East Anglia	4,755	31,392
Injaz	-	30,237
Mercy Corps Europe	-	39,065
Working Rite	-	34,105
Centrepoint	-	36,480
Fight for Peace	-	30,000
The Nawaya Network	-	20,917
Ophthalmic Scholarship	-	1,641
Imperial College	-	37,332
American University of Beirut	-	111,111
Oxford Brookes University	-	15,000
Students and alumni costs	751	87,150
Refunds and adjustment to accounts	(13,601)	-
	<u>1,478,643</u>	<u>801,246</u>

(Continued overleaf)

	£	£
Civil Society		
The Asfari Institute for Civil Society & Citizenship at AUB	404,875	268,522
Chatham House	340,000	423,268
Carnegie Endowment for International Peace	263,656	220,000
Atlantic Council of the United States	121,282	33,333
The Syria Campaign	117,677	-
Columbia University	47,535	9,861
The Middle East Institute	37,911	33,333
The Hands Up Foundation	37,500	-
St Andrews University	35,000	44,265
Dawlaty	34,989	-
Syrian League for Citizenship	32,300	33,276
Jumhuriya	32,000	26,667
Baladna	30,000	-
Global Dialogue	30,000	40,000
Syrian Centre for Reconciliation, Dialogue & Peace	30,000	-
Lebanese Center for Active Citizenship	27,892	-
Syrian Violations Documentation Centre	20,067	-
The Circle of Women	19,000	-
Physicians for Human Rights	16,667	-
Refugee Studies Centre, Oxford University	14,596	5,630
Baytna Syria	-	29,334
Birzeit University	-	33,081
Campaign Bootcamp	-	33,096
Reuters Institute for the Study of Journalism, Oxford University	-	10,000
Syria Deeply	-	33,333
Syrian CSO kept anonymous to protect their security	-	22,667
	1,692,947	1,299,666

(Continued overleaf)

<u>Relief</u>	£	£
International Rescue Committee	100,000	-
AUB Medical Center	80,000	-
Icahn Medical School	37,619	33,333
Migrant Offshore Aid Station	36,000	-
SAWA for Development and Aid	31,379	30,000
Ghassan Kanafani Cultural Foundation	30,000	20,000
Making Light	10,000	-
Coin Street Community Builders (OXO Gallery)	6,000	-
Mines Advisory Group	-	50,000
Mercy Corps	-	50,000
The Welfare Association	-	40,000
Bidna Capoeira	-	28,945
Bihar Relief Organisation	-	29,981
Syrian Centre for Reconciliation, Dialogue and Peace	-	30,000
The International Network for Aid, Relief and Assistance (INARA)	-	29,415
Kesh Malek	-	30,000
Popular Aid for Relief and Development	-	30,000
Violet Organisation	-	30,000
Youth for Development	-	29,615
Lebanese Developers	-	26,667
Sonbola	-	30,000
Ghiras Foundation	-	29,311
Film Festival St Andrews	-	12,884
Save the Children	-	39,500
UNICEF	-	5,000
UNRWA	-	10,000
The White Helmets	-	2,000
Emirates Red Crescent	-	54,092
Handicap International	-	79,928
Médecins Sans Frontières	-	111,995
Physicians for Human Rights	-	100,000
	<u>330,998</u>	<u>962,666</u>
Total grants payable	<u>3,502,588</u>	<u>3,063,578</u>

After reviewing the Relief Programme budget for 2016, many of the grants were reallocated to either the Youth Empowerment or Civil Society Programmes based on the main type of activity of the project.

مؤسسة الأصفري

THE ASFARI FOUNDATION



Empowering young citizens to create positive change

Front cover image: Sawa for Development and Aid

Back cover image: Teens and Toddlers