

Company Registration Number: 05938633
Charity Registration Number: 1116751

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

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THE ASFARI FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	Mr Ayman Asfari, Chair Mrs Sawsan Asfari Mr John Ferguson FCA Dr Marwan Muasher Ms Rasha ElMasry Mr Adeeb Asfari Mr Kareem Asfari Ms Saba Almubaslat (appointed 1 April 2022)
Company registered number	05938633
Charity registered number	1116751
Registered office	The Asfari Foundation Unit A 1-3 Canfield Place London United Kingdom NW6 3BT
Chief Executive Officer	Saba Almubaslat (resigned 31 March 2022) Anas Darkaoui (appointed as interim CEO 31 March 2022)
Independent auditor	MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Metro Bank 1 Southampton Row London WC18 5HA EFG Bank AG Bleicherweg 8 P.O. Box 6012 8022 Zurich
Solicitors	BDB Pitmans 50 Broadway Westminster London SW1H 0BL

THE ASFARI FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Constitution

The Asfari Foundation (the Foundation) is a company limited by guarantee (company number 05938633) and a registered charity governed by its memorandum and articles of association. Charity number in England and Wales: 1116751.

Directors and Trustees serving during the year and since the year end:

Mr Ayman Asfari (Chair)
Mrs Sawsan Asfari
Mr Adeeb Asfari
Mr Kareem Asfari
Mr John Ferguson FCA
Dr Marwan Muasher
Mrs Rasha ElMasry
Ms Saba Almubaslat (resigned as CEO: 31 March 2022, appointed as Trustee: 01 April 2022)

Objectives and activities

The objectives of the Foundation are to further such charitable objects as the Trustees in their absolute discretion think 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.
- 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.
- 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.

These charitable objects are encompassed within the Foundation's vision of creating a just world where people have equal opportunities to transform their lives, invest in their communities, and shape the future of their countries. In support of achieving this vision, the Foundation makes its mission to invest in, and support the sustainability of, a resilient and empowered civil society infrastructure and innovative youth, who can collectively lead a transformational positive change in their communities and countries.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Foundation engages in this mission by supporting the activities of our partner organisations activities at the local, regional and global level. At the local level the Foundation makes grants available across four thematic programmes including: Youth Learning, Entrepreneurship & Innovation (YLEAP), Civil Society (CS), Strategic Learning & Engagement (SLE), and Relief. At the regional level the Foundation develops strategic partnerships with influential academic and policy centres (such as the American University of Beirut and Carnegie Middle East Center) for convening around critical issues facing the Middle East region and connecting high-level policy and research with effective practice on the ground. The Foundation also actively pursues partnerships with International Non-governmental Organisations (INGOs, such as International Rescue Committee) and other Foundations (such as the Ford Foundation) to deliver co-investment in areas of shared common interest, enabling the Foundation to take its impact to scale. At the global level, the Foundation uses the evidence of its impact and that of its partners to advocate for localisation, collaboration, experimentation with innovative approaches to grant making and partnerships, and the important role family foundations can play in helping to drive positive change in the Middle East.

Grant making policy

The Foundation supports organisations that:

- Are fully registered with the appropriate authorities.
- Share our values and are aligned with our objectives.
- Have strong track records in implementation.
- Demonstrate clear purpose and strategy linked to a specific constituency/target group.
- Actively seek to become more effective, accountable and sustainable.
- Actively seek to transform and grow their organisation, and the ecosystem in which they operate, including the professional development of their staff.
- Adopt innovative approaches to programming.
- Address systemic weaknesses in our thematic areas.
- Are committed to transparency, active partnership, and sharing learning and insight.

Grant funding provided to eligible organisations is designed to support one of more of:

- Organisational development (OD) and sustainability, focusing on staff and organisational capacity-building as well as digital transformation.
- Seed funding or experimenting with new ideas or approaches by organisations that we believe are particularly innovative, have strong potential to help young people, and work in our thematic areas.
- Research into systemic issues facing communities in the Middle East, and development of public policy approaches and recommendations.
- Connecting academic research and practice through convening and supporting civil society organisations (CSOs) to document and disseminate their practical expertise at the local, regional and global levels.
- Specific areas of need, identified by eligible organisations, that do not fall into the above examples.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Foundation's Grants are offered through 4 programmes that address our thematic focus areas:

Youth Learning, Entrepreneurship and Innovation Programme (YLEAP)

Well-educated and engaged young people, working together with others as active members of society can make a genuine contribution to the development of their communities. The YLEAP Programme aims to address the structural and systemic issues that restrict the educational, vocational, and business opportunities available to young people. It does so by investing in organisations and initiatives that contribute to the overall vibrancy, professionalism, effectiveness and accountability of innovation and entrepreneurship ecosystems in Palestine, Lebanon and the United Kingdom.

Civil Society Programme (CSP)

A strong, energetic, and resilient civil society is key to the development of all healthy, participatory democratic societies and therefore critical to the future of Syria, Palestine, and Lebanon. The aim of the Civil Society Programme is to effectively bring people together for the common good, to provide quality information to citizens and policymakers, serving those in need and advocating for change.

Strategic Learning and Engagement Programme (SLE)

The Foundation's partners work on societally transformative issues in a volatile region. The ensuing data offers a rare insight into how civil society in the Middle East is developing; yet their capacity to collect and share it is limited. The Strategic Learning & Engagement Programme aims to leverage data from its peers, partners and wider practitioner and research communities and present best practices to stakeholders across regional and global networks, helping to shape global understanding of the challenges of the region, and to share the innovative solutions and approaches developed in that context.

Relief Programme

The Relief Programme is reactive and ad hoc in nature. As geopolitical disruptions continue in the Middle East, the Foundation recognises that there will be specific needs in communities not supported through our main funding programmes.

Achievements and performance

In its strategic plan for 2021, the Foundation mainstreamed the use of digital capacity and technology to maintain partner support and to be able to respond to the needs of their communities at scale. To support partners through this digital transformation, the Foundation released the 'Digital Transformation Grant' which offered partners access to quality digital learning, mentoring and financial support to operationalize such transformation in their line of business.

The Youth Learning, Entrepreneurship & Innovation Programme (YLEAP)

The Foundation's grants of £1,668,000 invested in 15 partner organisations enabling them to support aspiring entrepreneurs responding to a wide range of social issues including inclusive quality education, employment, gender justice, and environmental sustainability. The grants also enabled young people to bridge their academic aspirations with the needs of the world of work and offered women in the West Bank, youth in Gaza and Lebanon specialised training to join the technology sector.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Foundation's Monitoring Evaluation Accountability and Learning (MEAL) framework, partner progress reports, observation and anecdotes from partners provides evidence of how the Foundation's financial support enables organisations to offer alternative opportunities to youth in the region in a stagnant labour market, giving youth agency to decide what they want to do and become more engaged in responding to their social challenges while doing so, and offering innovative upskilling opportunities for youth to compete on a global level.

The Civil Society Programme (CSP)

The Foundation paid 21 grants totalling £1,265,500 that empowered local and diaspora civil society organisations to contribute to the vibrancy, professionalism, and effectiveness of the civil society sector and engage citizens directly in critical societal issues. The Foundation provided grants, networking and learning opportunities for our partners. The grants included:

- 'Organisational Development' grants - which included professional mentoring by a technical partner to help the partners identify and address gaps in their governance structure and financial administration through clear annual plans and milestones.
- 'Digital Transformation' grants - which supported organisations to enhance their digital presence and delivery, enabling them to grow their impact and sustainability.

Our civil society partners are critical for creating a more peaceful, just, and prosperous future in a region that is facing poor governance, tyranny and lack of justice. We are investing in their long-term sustainability and professionalism as tackling these chronic issues requires commitment and decades of sustained efforts.

Through the Foundation's long-term investment, the Asfari Institute for Civil Society and Citizenship (the Institute) at the American University of Beirut (AUB) has become a well-recognised regional centre with civil society expertise, providing research, convening and education for the entire region. It is bridging the gap between academic and activism and is helping our civil society partners with relevant learning and networking opportunities. The Institute will host the Foundation's digital knowledge and learning hub 'Midan: A Knowledge Hub for Civil Society' (Midan).

Strategic Learning and Engagement Programme

In 2021, the Foundation awarded grants totalling £190,200 to enable Midan to offer formal and informal e-learning in the Foundation's key thematic areas, in Arabic, to increase accessibility and relevance. This included the launch of the 'Learning Development' grants, to support local 'grassroots' civil society organisations to invest in knowledge production and management, as they evolve to become knowledge and learning organisations.

Through shaping and funding the development and ongoing promotion of Midan, the Foundation is expanding knowledge management among stakeholders across regional and global networks. This is helping to shape global understanding of the challenges of the region, and to share the innovative solutions and approaches developed in that context.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Relief Programme

The relief grants totalling £93,232 in 2021 enabled us to respond to emerging crises and developments in the region, including:

- Providing financial support to help retain critical medical staff in Lebanon during the economic crisis.
- Contributing to fundraising campaigns by organisations working to improve protections for schools and school children affected by the ongoing war in Syria, advocating for the human rights of Syrians, and promoting positive narratives about refugees in Europe.

Future Plans and Recent Developments

The Foundation continues to make grants that strengthen organisations with a focus on youth education (entrepreneurship, education system improvement, and higher education provision), and in the field of civil society (governance, citizenship, and media). We support this work in Lebanon, Palestine (including funding organisations supporting Palestinians residing in Israel), and the UK. Continuing from its 2021 strategic plan, the Foundation will offer a further round of Digital Transformation Grants in 2022.

Financial Review

Total income for 2021 amounted to £3.0 million (2020 - £3.7M). Donations from the Asfari family constitute the principal source of income for the Foundation. Over the years, the family has made substantial donations to the Foundation, part of which is intended to progressively build an investment capital base that at a future date can serve to fund charitable expenditures. Income from investments is usually applied to augmenting the investment capital but with the flexibility to be called upon for annual expenditures if required.

Total expenditure on charitable activities for 2021 was £3.1 million (2020 - £3.4M). Of this total, £2.6 million (2020 - £2.8M) was spent on grants awarded across the Foundation's programmes. Support costs to operate the organisation amounted to £0.4 million (2020 - £0.6M).

At 2021 year end, the funds of the Foundation amounted to £16.3 million (2020 - £15.2M). These funds were entirely unrestricted. During 2021, some £1.0 (2020 – deficit of £1.2M) was added as a result of net gains on investments and a surplus of income over expenditure.

Reserves Policy

The Trustees periodically review the Reserves policy. This recognises that the income of the Foundation varies year on year and so to enable the Foundation to plan its activities, it is prudent to hold reserves with an appropriate level of liquidity. The material impact of Covid-19 and uncertainties in economic outlook resulted in requiring that liquid reserves can cover 12 months of expenditure. The policy also recognises that the reserves that represent the fixed assets and the restricted funds of the Foundation are not freely available and thus are to be distinguished from free reserves. The pool of unrestricted funds comprises investment capital and funds for annual expenditures. In practice the flexibility offered enables funding of the annual expenditures whilst investment capital grows or, if required, can be drawn upon. At the year end liquid reserves significantly exceeded the 12 months cover target due in part to changes in the components of investment capital.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Investment policy and performance

The Trustees have an investment policy that evolves in line with the strategic goals for the organisation. In the short term, the Foundation's investment objective is growth. Longer term (beyond 10 years), the objective is to provide income to support the Foundation's programme expenditure. The Foundation's Investment Committee reviews, monitors investments and provides investment support to the Board.

Over the period of investment, the portfolio has performed well. In 2021 the Foundation made the decision to move its investment portfolio from Credit Suisse to EFG. This process was completed in the first quarter of 2022. In addition, the Foundation has maintained its direct shareholdings in three listed stocks and its stakes in private equity investment.

Public benefit statement

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Risk Management

The Foundation operates a comprehensive risk register, and, for each risk, specific mitigations are put in place. The risk register is regularly reviewed by the CEO, the team and the Trustees to ensure risks are appropriately managed. The Audit and Risk Committee monitors and advises the Board on audit, risks, and policy development and each Board sub-committee addresses relevant risks. The principal risks and countermeasures identified by Trustees include:

- Covid-19 impacts upon partners – Transition to increased digital working including the introduction of Digital Transformation grants and the Midan resource hub. Dialogue with partners to revise grant schedules and deliverables to aid partner viability.
- Business Continuity - Appointment of a reputable and experienced IT provider to ensure connectivity within a timely manner following an IT failure
 - Appropriate and secure cloud backup solutions.
- Breach of regulations regarding the funding of terrorism, sanctions imposed upon countries, entities or individuals or paying or facilitating the use of bribes - Adequate Training for all employees
 - Robust policies and procedures to identify risks and mitigation through effective controls
 - Appropriate vetting procedures documenting all investigations, rationale, and decision-making process
 - In-depth understanding of funding requirements and proposed usage of funds.
- Reputation and Associations - the Foundation's operations are restricted / prohibited because of its reputation and associations
 - Transparency of internal framework in which the Foundation operates in accordance with all regulatory obligations
 - Careful management of charitable activities
 - Careful vetting of all partnerships
 - Experienced and reputable Board
 - Close monitoring of changes to charitable regulations
 - Ongoing monitoring of media coverage and open-source information.

The increased political tensions in the Middle East, specifically between governments and Civil Society partners, coupled with the instability of the banking system in Lebanon are currently risks the Foundation is monitoring closely.

THE ASFARI FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

The Foundation's Articles of Association provides for a minimum of three Trustees, who are also directors for the purpose of company law. Trustees are selected for their skills and abilities to ensure that the overall governance is sound and meets its legal and moral obligations. Newly appointed Trustees undertake a series of meetings with the Foundation's senior management to ensure they gain a full understanding of the Foundation and their responsibilities.

The Foundation does not actively raise funds, income is received through donations from the Asfari Family to meet its objectives.

All grants paid by the Asfari Foundation are independently agreed by the Trustees collectively after review by the Projects sub-committee. Trustees with conflicts of interest declare these in advance and do not participate in related decision making.

The Key Management Personnel of the Foundation represent the Trustees and the Chief Executive Officer only. Whilst the Trustees provide their time on a voluntary basis and thus do not receive any remuneration, the Chief Executive Officer's remuneration is set by the Board of Trustees, and in doing so they pay regard to sector benchmarks.

In Saba Almuhaslat's capacity as the Chief Executive Officer, she was accountable for the team's performance and had the overall responsibility to ensure proper management of the foundation, so that its objects are met, and resources are well managed. She joined the Board in April 2022 after resigning as Chief Executive Officer in March 2022.

Statement of disclosure to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



.....

Mr Ayman Asfari
Chair

Date: 12 September 2022

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees (who are also the Directors of the Charity for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that 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.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Mr Ayman Asfari

Chair

Date: 12 September 2022

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

Opinion

We have audited the financial statements of The Asfari Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, 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.

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 charitable company 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. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

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 charitable company'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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included on page 9 of these accounts, the Trustees (who are also the Directors of the charitable company for the purposes of company law) 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.

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

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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

Use of this report

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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 27/09/2022

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Income from:					
Donations	4	2,727,729	3,623	2,731,352	3,340,917
Investments		298,010	-	298,010	351,790
Other income		-	-	-	12,012
Total income		3,025,739	3,623	3,029,362	3,704,719
Expenditure on:					
Costs of Raising funds: Investment management fees	7	46,789	-	46,789	43,130
Charitable activities	8	3,047,972	3,623	3,051,595	3,375,352
Total expenditure		3,094,761	3,623	3,098,384	3,418,482
Revaluation of investments	13	1,113,518	-	1,113,518	(1,475,713)
Net movement in funds		1,044,496	-	1,044,496	(1,189,476)
Reconciliation of funds:					
Total funds brought forward		15,243,988	-	15,243,988	16,433,464
Net movement in funds		1,044,496	-	1,044,496	(1,189,476)
Total funds carried forward		16,288,484	-	16,288,484	15,243,988

The Statement of Financial Activities includes all gains and losses recognised in the year.

In the previous year all income and expenditure was allocated to / from unrestricted funds.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 34 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05938633

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		2,355		7,072
Investments	13		15,030,621		13,878,543
			<u>15,032,976</u>		<u>13,885,615</u>
Current assets					
Debtors: Amounts falling due within one year	14	643,481		717,391	
Cash at bank and in hand	19	1,865,037		2,663,686	
			<u>2,508,518</u>	<u>3,381,077</u>	
Creditors: Amounts falling due within one year	15	(1,253,010)		(2,022,704)	
Net current assets			<u>1,255,508</u>		<u>1,358,373</u>
Total net assets			<u><u>16,288,484</u></u>		<u><u>15,243,988</u></u>
Charity funds					
Restricted funds	16		-		-
Unrestricted funds	16		16,288,484		15,243,988
Total funds			<u><u>16,288,484</u></u>		<u><u>15,243,988</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr Ayman Asfari
 Chair
 Date: 12 September 2022

The notes on pages 17 to 34 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	(1,052,133)	<i>1,049,013</i>
		<hr/>	<hr/>
Cash flows from investing activities			
Investment income		298,010	<i>351,790</i>
Proceeds from sale of investments	13	7,628,570	-
Purchase of investments	13	(7,673,096)	-
		<hr/>	<hr/>
Net cash provided by investing activities		253,484	<i>351,790</i>
		<hr/>	<hr/>
Cash flows from financing activities			
Change in cash and cash equivalents in the year		(798,649)	<i>1,400,803</i>
Cash and cash equivalents at the beginning of the year		2,663,686	<i>1,262,883</i>
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	19	1,865,037	<i>2,663,686</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 34 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Charity is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1116751) and Registrar of Companies (Company Registration Number 05938633).

The Members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are listed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Asfari Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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.

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.

Income in relation to Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Support costs represents 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.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings & equipment	-	20%	Straight line
Office equipment	-	20%	Straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.6 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded. Investment income is accounted for in the period in which the charitable company is entitled to receipt.

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 14. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 15. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

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

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

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

2.12 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.

2.13 Foreign exchange

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the Balance Sheet date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Exchange gains and losses are recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Restatement of activities

During the year the Charity decided to reallocate investment management costs from Expenditure on Charitable Activities support costs to Costs of Raising Funds. Furthermore, the Charity decided to redistribute total grants payable between programmes, and allocate the reduced total support costs between said programmes, in line with Accounting Policy 2.4. The prior year comparatives have also been redistributed to ensure comparability with the current financial reporting period. Affected notes have been marked as such throughout these financial statements. The reclassification did not affect the Charity's deficit nor its net assets for the year ended 31 December 2020.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

No significant accounting estimates or judgements were made in preparing these accounts.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations and gifts	2,198,539	3,623	2,202,162
Gift aid	529,190	-	529,190
	<u>2,727,729</u>	<u>3,623</u>	<u>2,731,352</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations and gifts	2,737,981	2,737,981
Gift aid	602,936	602,936
	<u>3,340,917</u>	<u>3,340,917</u>

5. Investment income

	2021 £	2020 £
Rental income	4,800	4,400
Listed investment income	194,719	233,194
Fund investment income	98,137	111,345
Interest receivable	354	2,851
	<u>298,010</u>	<u>351,790</u>

All investment income in both the current and prior year has been allocated to the unrestricted fund.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Other income

	2021	2020
	£	£
Other income	-	12,012
	<u>-</u>	<u>12,012</u>
	<u><u>-</u></u>	<u><u>12,012</u></u>

Other income in the prior year related to the recovery of a donation made to Kid's Company which went into administration in 2014.

7. Expenditure on raising funds

	Unrestricted	Total
	funds	funds
	2021	2021
	£	£
Investment management fees	46,789	46,789
	<u>46,789</u>	<u>46,789</u>
	<u><u>46,789</u></u>	<u><u>46,789</u></u>
	<i>As restated</i>	<i>As restated</i>
	<i>Unrestricted</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>
	<i>2020</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
Investment management fees	43,130	43,130
	<u>43,130</u>	<u>43,130</u>
	<u><u>43,130</u></u>	<u><u>43,130</u></u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure on charitable activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Youth Empowerment	1,367,836	230,672	1,598,508
Civil Society	912,380	153,863	1,066,243
Relief	93,252	15,726	108,978
Strategic learning	237,769	40,097	277,866
	<u>2,611,237</u>	<u>440,358</u>	<u>3,051,595</u>
	<i>As restated Grant funding of activities 2020 £</i>	<i>As restated Support costs 2020 £</i>	<i>As restated Total funds 2020 £</i>
Youth Empowerment	1,055,059	229,742	1,284,801
Civil Society	1,354,042	294,846	1,648,888
Relief	165,828	36,109	201,937
Strategic learning	196,859	42,867	239,726
	<u>2,771,788</u>	<u>603,564</u>	<u>3,375,352</u>

Please see Note 24 for detailed analysis of grants payable.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Staff costs	362,494	356,544
Depreciation	4,717	5,426
Office costs	102,402	115,587
Other professional services	23,224	76,418
Finance interest expense	-	32,792
Governance costs	22,510	13,800
Foreign exchange (gains)/losses	(74,989)	2,997
	440,358	603,564

9. Governance costs

	2021 £	<i>2020 £</i>
Auditor's remuneration - Audit of the financial statements	15,600	13,800
Auditor's remuneration - Other services	2,400	-
Auditor's remuneration - Under accrual of prior year fees	3,550	-
Tax compliance - Corporation tax return	960	-
	22,510	13,800

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Staff costs

	2021	<i>2020</i>
	£	£
Wages and salaries	322,463	<i>317,111</i>
Social security costs	30,567	<i>30,466</i>
Pension costs	9,464	<i>8,967</i>
	<u>362,494</u>	<i><u>356,544</u></i>

The average number of persons employed by the Charity during the year was as follows:

	2021	<i>2020</i>
	No.	No.
Managerial, administrative and programme technical	<u>7</u>	<i><u>7</u></i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	<i>2020</i>
	No.	No.
In the band £60,001 - £70,000	1	<i>-</i>
In the band £90,001 - £100,000	1	<i>1</i>

The Foundation considers its Key Management Personnel to be the Trustees and the Chief Executive Officer. Total remuneration paid to Key Management Personnel in 2021 was £109,486 (*2020 - £97,280*).

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. Tangible fixed assets

	Fixtures, fittings & equipment £	Office equipment £	Total £
Cost or valuation			
At 1 January 2021	5,889	21,238	27,127
At 31 December 2021	<u>5,889</u>	<u>21,238</u>	<u>27,127</u>
Depreciation			
At 1 January 2021	2,356	17,699	20,055
Charge for the year	1,178	3,539	4,717
At 31 December 2021	<u>3,534</u>	<u>21,238</u>	<u>24,772</u>
Net book value			
At 31 December 2021	<u><u>2,355</u></u>	<u><u>-</u></u>	<u><u>2,355</u></u>
At 31 December 2020	<u><u>3,533</u></u>	<u><u>3,539</u></u>	<u><u>7,072</u></u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2021	11,550,319	2,328,224	13,878,543
Additions	7,370,781	302,315	7,673,096
Disposals	(7,624,981)	(3,589)	(7,628,570)
Revaluations	1,090,193	23,325	1,113,518
Interest and management charges paid from portfolio	(5,966)	-	(5,966)
At 31 December 2021	<u>12,380,346</u>	<u>2,650,275</u>	<u>15,030,621</u>
Net book value			
At 31 December 2021	<u>12,380,346</u>	<u>2,650,275</u>	<u>15,030,621</u>
<i>At 31 December 2020</i>	<u>11,550,319</u>	<u>2,328,224</u>	<u>13,878,543</u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Debtors: Amounts falling due within one year

	2021	2020
	£	£
Due within one year		
Other debtors	13,167	14,172
Prepayments and accrued income	101,124	100,283
Gift aid receivable	529,190	602,936
	643,481	717,391

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Grants payable	1,230,000	2,006,362
Trade creditors	2,236	339
Other taxation and social security	1,577	1,558
Other creditors	237	429
Accruals	18,960	14,016
	1,253,010	2,022,704

Grants payable relates to grants committed in furtherance of the Charity's objectives that are expected to be made within twelve months.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
Unrestricted funds	<u>15,243,988</u>	<u>3,025,739</u>	<u>(3,094,761)</u>	<u>1,113,518</u>	<u>16,288,484</u>
Restricted funds					
Restricted Funds	<u>-</u>	<u>3,623</u>	<u>(3,623)</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>15,243,988</u></u>	<u><u>3,029,362</u></u>	<u><u>(3,098,384)</u></u>	<u><u>1,113,518</u></u>	<u><u>16,288,484</u></u>

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Statement of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
Unrestricted funds					
Unrestricted funds	<u>16,433,464</u>	<u>3,704,719</u>	<u>(3,418,482)</u>	<u>(1,475,713)</u>	<u>15,243,988</u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,355	2,355
Fixed asset investments	15,030,621	15,030,621
Current assets	2,508,518	2,508,518
Creditors due within one year	(1,253,010)	(1,253,010)
Total	16,288,484	16,288,484

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	7,072	7,072
Fixed asset investments	13,878,543	13,878,543
Current assets	3,381,077	3,381,077
Creditors due within one year	(2,022,704)	(2,022,704)
Total	15,243,988	15,243,988

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	1,044,496	(1,189,476)
Adjustments for:		
Depreciation charges	12 4,717	5,426
(Gains)/losses on investments	13 (1,113,518)	1,475,713
Investment income	(298,010)	(351,790)
Decrease in debtors	14 73,910	325,405
(Decrease)/increase in creditors	15 (769,694)	1,060,688
Interest and management charges paid from portfolio	13 5,966	76,323
Income retained in portfolio	13 -	(353,276)
Net cash provided by/(used in) operating activities	<u>(1,052,133)</u>	<u>1,049,013</u>

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,865,037	2,663,686
Total cash and cash equivalents	<u>1,865,037</u>	<u>2,663,686</u>

20. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	2,663,686	(798,649)	1,865,037
	<u>2,663,686</u>	<u>(798,649)</u>	<u>1,865,037</u>

The Charity had no debt in either the current or previous year.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

21. Pension commitments

The amount recognised as an expense in the year was £9,464 (2020 - £8,967). There were £1,577 (2020 - £1,558) contributions payable to the fund at the Balance Sheet date.

22. Operating lease commitments

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	39,500	39,500
Later than 1 year and not later than 5 years	78,245	117,745
	<u>117,745</u>	<u>157,245</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	<u>39,500</u>	<u>39,500</u>

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

23. Related party transactions

Marwan Muasher is the Vice President for Studies and Ayman Asfari is a Member of the Board of Trustees at Carnegie Endowment for the International Peace (Carnegie). In 2021, the Foundation granted £76,500 (2020 - £110,957) to the Carnegie Endowment for International Peace.

Sawsan Asfari is the Co-founder and Director of the Galilee Foundation. In 2021, the Foundation granted £75,000 (2020 - £75,000) to the Galilee Foundation. £75,000 remained payable as at the year-end (2020 - £75,000) and is therefore included within creditors.

Ayman Asfari and Marwan Muasher are Trustees of the American University of Beirut. In 2021, the Foundation granted £300,832 (2020 - £333,643) to the University.

All grants and donations made by the Asfari Foundation are independently agreed by the Board of Trustees at the Foundation's Board meeting. Trustees with conflicts of interest declare these in advance and do not participate in related decision making. When a decision is required in relation to programmes or funding associated with organisations that receive funding from The Asfari Foundation, the relevant Trustee abstains from voting.

The total amounts of donations given by the Trustees to The Asfari Foundation in the year was £2,116,979 (2020 - £2,737,981).

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

24. Post balance sheet events

At the beginning of April 2022, the Charity received an unrestricted donation of shares from a Trustee. At the date of receipt, the fair value of the shares was £5,200,000.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

25. List of 2021 Grants by Programme / Organisation / Country

	Grant Location	2021 £	2020 £
Youth Empowerment			
Al-Fanar	Lebanon	50,000	75,000
Al-Nayzak	Palestine	75,000	75,000
Basma and Zeitooneh	Lebanon	-	75,000
Challenge to Change	Switzerland	-	10,000
ChangeLabs/Changemakers	Lebanon	30,000	30,000
Fondation Diane	Lebanon	75,000	75,000
Galilee Foundation	UK	75,000	75,000
Gaza Sky Geeks	UK	-	75,000
International Rescue Committee	UK	672,836	-
Pitchworthy	Lebanon	75,000	190,059
ShareQ	Lebanon	75,000	75,000
United Lebanon Youth Project	Lebanon	-	75,000
Year Here	UK	75,000	75,000
Yes Theatre	Palestine	75,000	75,000
YMCA	Lebanon	75,000	75,000
Other YEP Charitable contributions	Palestine	15,000	-
		1,367,836	1,055,059

		2021 £	2020 £
Civil society			
Al-Jumhuriya	Turkey	-	75,000
Al Share Media	Canada	-	7,000
Badael	Germany	75,000	75,000
CanDo	UK	-	75,000
Dawlaty	Brussels	75,000	75,000
DOT Lebanon	Lebanon	7,500	-
Enab Baladi	Turkey	75,000	75,000
Hands Up Foundation	UK	-	75,000
Labanon Support	Lebanon	-	7,000
Masar	Lebanon	37,500	37,500
Megaphone	Lebanon	37,500	37,500
Mentor Arabia	Lebanon	7,000	-
Musawa	France	7,000	-
Mousawat	Turkey	7,000	-
Nahnoo Association	Lebanon	-	75,000
Recycle Lebanon	Lebanon	7,000	-
Riyadah	Lebanon	7,000	-
Roia	Netherlands	-	7,000
Syrian Archive	Germany	75,000	75,000
Syrian Centre for Legal Studies and Research	Germany	75,000	75,000
Syrian Centre for Media and Freedom of Expression	France	-	75,000
Syrian Centre for Policy Research	Lebanon	75,000	75,000
The Asfari Institute for Civil Society & Citizenship at The American University of Beirut	Lebanon	262,880	283,042
The Syria Campaign	USA	-	75,000
We Exist		7,000	-
Women Now	France	75,000	75,000
		912,380	1,354,042

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

25. List of 2021 Grants by Programme / Organisation / Country (continued)

		2021 £	2020 £
Strategic Learning and Engagement			
Asfari Portal	UK	47,226	-
Carnegie Endowment for International Peace	USA	76,515	21,352
Centre for Lebanese Studies	UK	5,000	
Citizens Build a Community	Israel	-	7,000
Door Beyond War	Turkey	5,000	-
Global Health Institute at the American University of Beirut	Lebanon	75,913	84,087
Hakini	Palestine	5,000	7,000
Hands up Foundation	UK	-	7,000
Humanitarian Leadership Academy	UK	-	30,281
IDRAAC	Lebanon	-	7,000
Injaz	Lebanon	3,000	-
RiyadA	Lebanon	-	7,000
Sanad	Israel	5,000	-
ShareQ	Lebanon	-	7,000
Stichting Female Journalists Network	Netherlands	5,000	-
Technovatio	UK	-	18,000
Other		10,115	1,159
		237,769	196,859
		2021 £	2020 £
Relief			
Al Quds Foundation for Medical Schools in Palestine	Palestine	-	6,250
CanDo		10,000	-
Good Chance Theatre	UK	10,000	20,000
Jusoor	USA	-	50,000
Universidade Nova de Lisboa (Nova School of Business and Economics)	Portugal	3,400	
The American University of Beirut	Lebanon	59,852	50,601
The Voices Project	UK	10,000	
Other			38,977
		93,252	165,828
Total Grants		2,611,237	2,771,788