



The Aziz Foundation

Annual Report and Financial Statements

For the year ended 31 March 2020

Charity Registration Number
1169558

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REFERENCE AND ADMINISTRATION INFORMATION

| | |
|-----------------------------|---|
| Board of Trustees | Asif Haroon Aziz (Chair) Hussein Haroon Aziz Mohammed Abdul Aziz Talat Habib Malik |
| Principal office | 16 Babmaes Street London SW1Y 6HD |
| Charity registration number | 1169558 |
| Auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |
| Bankers | Barclays Bank 1 Churchill Place Canary Wharf London E14 5HP |

Trustees' report for the year to 31 March 2020

TRUSTEES' REPORT

The Trustees present their statutory report, together with the financial statements of The Aziz Foundation, for the year to 31 March 2020.

Governance and Management

Constitution

The Aziz Foundation (the "Foundation") commenced its operations on 14 August 2015 following the adoption of its constitution and was registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 10 October 2016, charity registration number 1169558.

Board of Trustees

As at 31 March 2020, the Foundation has four Trustees who have served throughout the period covered in this report. They are named in the reference and administrative information on page 1. The constitution requires a minimum of three Trustees to be active during each reporting year. The Trustees do not receive any remuneration for their work as Trustees.

New Trustees may be appointed by the Board of Trustees. Proposed new Trustees would be required to meet the existing Board, and if approved, would be provided with The Aziz Foundation constitution and brought up to date on the Foundation's grant making processes, annual report(s), relevant Charity Commission policies and charity law.

The Trustees are responsible for overall strategy and specific time sensitive priorities across the Foundation's grant making work. They receive updates on finances and performance, as well as information on the impact of major grants. They are also provided with updates on charity law and matters relating to the administration of the Foundation.

The Trustees are responsible for preparing the Trustees' report and financial statements, which must comply with statutory requirements and the Foundation's governing document.

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees maintain the Foundation's records and information systems and manage the financial affairs of the Foundation. They are responsible for the safeguarding of the Foundation's assets and for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Trustees' report for the year to 31 March 2020

Governance and Management (continued)

Management

The Aziz Foundation delivers a dynamic programme of philanthropic work that awards scholarships and occasional grants.

The implementation of the Foundation's work programme is delegated to the staff who work closely with the Chair of Trustees. The staff are responsible for delivering the Foundation's strategic objectives and priorities, implementing its work programmes, and for the monitoring and management of grants and awards. Policies and processes for internal organisational development and external grant making have been set up, and all staff have been trained in these policies.

The bulk of the work is the management of the Masters Scholarships scheme. This is carried out by three Programme managers who work closely as a team, and are in regular communication with the Chair of the Trustees.

Related parties

During the year, the Foundation received donations, both in the form of cash and in-kind support, from Criterion Capital Limited, Assembly House (London) Hotel Limited, Leicester Square (London) Hotel Limited, Trocadero (London) Hotel Limited and Victory House (London) Hotel Limited, whose controlling director is also the Chair of the Foundation.

Risk Management

Through formal governance policies and procedures, carefully monitoring programmes and ensuring that controls exist over key financial systems, the Foundation has established effective ways to mitigate and manage risks to its work. Further, after examining operational risks faced by the Foundation at different levels of governance and management, measures, procedures and checks have been put into place to ensure that grant making and scholarships are monitored as necessary. For example, before grants are awarded the Foundation will carry out detailed due diligence on applicant organisations and their projects, including speaking to current funders of the applicants. Once grants are awarded, where possible the Foundation staff visit grantees premises, projects and events to inspect the work that the Foundation has awarded grants towards. Also, prior to making the final grant award, the Foundation requests progress reports from the grantees. Similarly, before awarding a scholarship, the Foundation's staff conduct due diligence on applicants including interviewing them and obtaining references. After, a scholarship is awarded recipients are expected to submit reports from their university confirming their progress on their course.

The Trustees have examined the risks faced by the Foundation and are satisfied that systems are in place to manage and mitigate exposure to those risks.

Trustees' report for the year to 31 March 2020

Governance and Management (continued)

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors are 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 charity's auditors are aware of that information.

Trustees' report for the year to 31 March 2020

Charitable Objectives and Policies

Charitable Objectives

The Foundation is a grant making charity and supports purposes which are within those listed in the Charities Act 2011. It supports individuals who will ultimately benefit communities that the Foundation supports.

The Foundation makes grants in accordance with its constitution and grant making policies. The objectives of the Foundation are to: further such exclusively charitable purposes for the public benefit according to the law of England and Wales as the charity Trustees shall determine in their absolute discretion. Trustees take care to ensure that where grants are not made to registered charities, they are always made for charitable purposes and the use of any grants made is monitored closely.

When reviewing the Foundation's aims and objectives, the Trustees consider the potential benefit to the public and the furthering of the Foundation's mission to support disadvantaged communities. The Foundation is refining how impact assessment is incorporated into its work, always aiming to learn from those it seeks to benefit.

Grant Making Policy

At the end of each financial year, the Trustees review the Foundation's grant making policy for the forthcoming year. They consider the Foundation's overall grant making strategy as required, including long-term and short-term issues that may affect the Foundation's grantees. The Trustees award grants only to UK universities, registered charities and organisations running projects for charitable purposes in accordance with the Charities Act 2011.

Those applicants not registered as a charity are reviewed on a case-by-case basis, considering the status of the applicant, its organisational structure, and the requested purpose of the grant.

The Trustees have ultimate responsibility for all grant making decisions in line with the Foundation's charitable purposes and any restrictions agreed with funding partners. However, the Trustees may delegate certain decision-making responsibilities to the Foundation's staff. The Trustees reserve the right not to approve any recommendation or nomination if, after due consideration, they determine that the resulting grant would not be charitable or falls outside its priorities.

Terms and conditions for grants are drafted by the Foundation's Programme Managers in discussion with grantees.

Charitable Objectives and Policies (continued)

Funding Priorities

The Foundation's grant making during this financial year has focused on awarding scholarships to those looking to acquire Masters degrees. This Masters Scholarship scheme covers tuition fees for British Muslims studying Masters courses at UK Universities. The aim is to support emerging leaders who have a high level of commitment to the community as well as the aspirations to lead and inspire in their respective field. In particular, we are supporting people who can:

- positively transform perceptions of Islam and Muslims in the UK by promoting understanding and engagement; and
- facilitate better representation and contribution of the Muslim community to civil society.

The Foundation's purpose in prioritising its scholarships stream is to hone the organisation's impact and channel its efforts into developing leadership within disadvantaged communities that is both credible and effective, with the professional and academic skillset to be at the forefront of catalysing enduring change.

The Masters Scholarships scheme represents a major scheme dedicated exclusively to British Muslim communities. It builds on the successes of the Foundation's existing scholarships schemes – a fact acknowledged by the Board - and further widens the pool of British Muslims benefited by the Foundation. This expansion of the programme stems from the need to supplement a focus on specific academic areas in which there is an underrepresentation of British Muslims, with an approach that reaches out to greater numbers across disciplines. This is a strategy grounded on the principle that leaders in the community equally make an impact in various professional capacities and walks of life. During the financial year, 154 scholarships and bursaries were awarded to students starting post graduate courses at over 40 different UK universities.

Fundraising Statement

The charity does not actively solicit donations and therefore is not registered with the Fund-Raising Regulator or does not subscribe to any fundraising code of practice. During 2019/20, the charity received no complaints about fundraising activities.

Trustees' report for the year to 31 March 2020

Activities, Performance and Achievements

Review of Activities

The Foundation's work is broadly made up of scholarship tuition fee awards, paid directly to the university, and some grants.

Grants Awarded

During the year the Foundation awarded:

- 138 Masters Scholarships;
- ten bursaries, to students who are approaching the end of their studies;
- one grant to the National Zakat Foundation £30,000 with which it was able to generate £100,000 worth of educational scholarships.

Financial Review

Results for the financial year

A summary of the year's results can be found on page 12 of this report and financial statements. During the year ended 31 March 2020, total income amounted to £1,457,837 (2019 – £283,381) of which £nil (2019 – £40,000) was restricted.

The Trustees made grants totalling £1,415,729 (2019 – £120,134) including allocated staff costs. In addition, the charity incurred support costs of £56,628 (2019 – £199,713).

Reserves Policy

The Trustees have examined the Foundation's requirements for reserves considering the main risks to the Foundation and its future grant making projections. The Trustees have received assurance from AA Property Holdings Limited that the company will provide funds to the Foundation, on a timely basis, for the next 12 months from the date of this report to enable the Foundation to pay the grants that become payable and for any administrative running costs of the Foundation. This support will protect the Foundation and its long-term charitable giving strategy by providing sufficient additional resources, as required, to adjust to changing financial circumstances.

In light of this assurance the Trustees do not consider it necessary for the Foundation to hold free reserves.

Financial Position

The balance sheet shows net assets of £nil (2019 – £14,520). The restricted funds are £nil (2019 – £14,520). The unrestricted free reserves of the charity are £nil (2019 – £nil), which is in line with the reserves policy above.

Trustees' report for the year to 31 March 2020

Financial Review (continued)

COVID-19

The Covid-19 pandemic has impacted communities, individuals, families and business around the world. The Board of Trustees would like to express their deepest sympathy to anyone who has been personally affected by the virus.

The Foundation has taken steps to safeguard both its employees and grantees, by allowing the employees to work from home during this pandemic, and conducting online interviews for the Masters Scholarships scheme. The Board would like to thank the employees for their continued support during these difficult times.

As mentioned above, The Trustees have received assurance from AA Property Holdings Limited that the company will provide funds to the Foundation, on a timely basis, for the next 12 months from date of this report to enable the Foundation to pay the grants that become payable and for any administrative running costs of the Foundation.

Future Plans

The Foundation continues to offer a comprehensive postgraduate scholarships scheme, which supports emerging leaders within the Muslim community in the UK.

Signed on behalf of the Board of Trustees



Asif Haroon Aziz
Trustee (Chair)

Approved by the Trustees on: 30/07/20



Hussein Haroon Aziz
Trustee

Independent auditor's report for the year to 31 March 2020

Independent auditor's report to the Trustees of the Aziz Foundation

Opinion

We have audited the accounts of The Aziz Foundation (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- ◆ the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Independent auditor's report for the year to 31 March 2020

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

Use of our report

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



3 August 2020

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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

Independent auditor's report for the year to 31 March 2020

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Statement of financial activities (including income and expenditure account) for the year to 31 March 2020

| | Notes | Unrestricted funds £ | Restricted funds £ | Year to 31 March 2020 Total £ | Unrestricted funds £ | Restricted funds £ | Year to 31 March 2019 Total £ |
|---|-------|----------------------------|--------------------------|---|----------------------------|--------------------------|---|
| Income from: | | | | | | | |
| Donations and legacies | 1 | 1,457,837 | - | 1,457,837 | 243,381 | 40,000 | 283,381 |
| Total income | | 1,457,837 | - | 1,457,837 | 243,381 | 40,000 | 283,381 |
| Expenditure on: | | | | | | | |
| Charitable activities - Promoting and enhancing charitable work | | | | | | | |
| . Grants payable | 2 | 1,415,729 | - | 1,415,729 | 43,668 | 76,466 | 120,134 |
| . Support costs | 3 | 42,108 | 14,520 | 56,628 | 199,713 | - | 199,713 |
| Total expenditure | | 1,457,837 | 14,520 | 1,472,357 | 243,381 | 76,466 | 319,847 |
| Net expenditure and net movement in funds | | - | (14,520) | (14,520) | - | (36,466) | (36,466) |
| Reconciliation of funds | | | | | | | |
| Total funds at 1 April 2019 | | - | 14,520 | 14,520 | - | 50,986 | 50,986 |
| Total funds at 31 March 2020 | | - | - | - | - | 14,520 | 14,520 |

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet as at 31 March 2020

| | Notes | 2020 Total £ | 2019 Total £ |
|--|-------|--------------------|--------------------|
| Current assets | | | |
| Debtors | 6 | 1,214,144 | 1,597,507 |
| Cash at bank and in hand | | 5,803 | 42,306 |
| | | 1,219,947 | 1,639,813 |
| Liabilities | | | |
| Creditors: falling due within one year | 7 | (1,023,524) | (867,452) |
| Net current assets | | 196,423 | 772,361 |
| Creditors: amount falling due after more than one year | 8 | (196,423) | (757,841) |
| Total net assets | | - | 14,520 |
| The funds of the charity | | | |
| <i>Income funds</i> | | | |
| Restricted funds | 9 | - | 14,520 |
| Unrestricted general funds | | - | - |
| | | - | 14,520 |

Approved by the Trustees
and signed on their behalf by:



Asif Haroon Aziz

Trustee (Chair)

Approved by the Trustees on: 30/07/20



Hussein Haroon Aziz

Trustee

Statement of cash flows for the year to 31 March 2020

| | Notes | Year to 31 March 2020 Total £ | Year to 31 March 2019 Total £ |
|---|-------|---|---|
| Cash flows from operating activities | | | |
| Net cash flows used in operating activities | A | (36,503) | (301,888) |
| | | (36,503) | (301,888) |
| Change in cash and cash equivalents | | (36,503) | (301,888) |
| Cash and cash equivalents at 1 April 2019 | B | 42,306 | 344,194 |
| Cash and cash equivalents at 31 March 2020 | B | 5,803 | 42,306 |

Notes to the statement of cash flows for the year ended 31 March 2020:

A Reconciliation of net movement in funds to net cash flows from operating activities

| | Year to 31 March 2020 Total £ | Year to 31 March 2019 Total £ |
|---|---|---|
| Net movement in funds (as per statement of financial activities) | (14,520) | (36,466) |
| Adjustments for: | | |
| Decrease in debtors | 383,363 | 801,319 |
| (Decrease) in creditors | (405,346) | (1,066,741) |
| Net cash used in operating activities | (36,503) | (301,888) |

B Analysis of cash and cash equivalents

| | Year to 31 March 2020 Total £ | Year to 31 March 2019 Total £ |
|--|---|---|
| Cash and cash equivalents (cash at bank and in hand_ | 5,803 | 42,306 |

Principal accounting policies for the year to 31 March 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of preparation

These financial statements have been prepared for the year to 31 March 2020, with comparative information for the year to 31 March 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Other than the assessment of going concern, as set out below, the preparation of the financial statements did not require the Trustees to make any significant judgements or estimates.

c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees have received assurance from AA Property Holdings Limited that the company will provide funds to the Foundation, on a timely basis, for the next 12 months from the balance sheet date to enable the Foundation to pay the grants that become payable and for any administrative running costs of the Foundation.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

d) Income recognition

Income is recognised in the year in which the charity is entitled to receipt, the amount can be measured reliably, and it is probable that income will be received.

Income during the year is comprised entirely of donations which are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity.

Principal accounting policies for the year to 31 March 2020

d) Income recognition (continued)

An equivalent amount is included as expenditure. Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of obligation can be measured reliably.

Expenditure comprises grants payable as part of the Foundation's charitable activities, as well as administrative costs pertaining to the charity and its grant-making. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.

All expenditure is stated inclusive of irrecoverable VAT.

f) Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

g) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

h) Creditors

Creditors 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. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. Where material they have been discounted to the present value of the future cash payment.

i) Fund accounting

The general unrestricted funds represent funds available for the general charitable purposes of the charity at the discretion of the Trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

j) Pension scheme

Contributions are paid into a personal pension scheme for all employees. Pension contributions are charged to the Statement of Financial Activities in the year in which they fall due.

k) Allocation of support costs

Support costs, comprising the staff costs of the corporate function, are apportioned to the charitable activity based on the time spent by employees in processing and monitoring scholarships and other programme work.

Notes to the financial statements for the year ended 31 March 2020

1 Donations

| | Unrestricted funds £ | Restricted funds £ | Year to 31 March 2020 Total £ | Unrestricted funds £ | Restricted funds £ | Year to 31 March 2019 Total £ |
|---|----------------------------|--------------------------|---|----------------------------|--------------------------|---|
| Donations | 1,828,000 | - | 1,828,000 | 461,000 | 40,000 | 501,000 |
| Donations in kind | 13,200 | - | 13,200 | 13,200 | - | 13,200 |
| Re-measurement of amounts receivable | (383,363) | - | (383,363) | (230,819) | - | (230,819) |
| Total funds | 1,457,837 | - | 1,457,837 | 243,381 | 40,000 | 283,381 |

The donation in kind relates to the in-kind support the Foundation received from Criterion Capital Limited consisting of staff time and provision of office premises.

Notes to the financial statements for the year ended 31 March 2020

2 Grants payable

| | Unrestricted funds £ | Restricted funds £ | Year to 31 March 2020 Total £ | Unrestricted funds £ | Restricted funds £ | Year to 31 March 2019 Total £ |
|--------------------------------|-------------------------|-----------------------|-------------------------------------|-------------------------|-----------------------|-------------------------------------|
| Masters Scholarships | | | | | | |
| Direct grant costs | 1,575,581 | - | 1,575,581 | - | - | - |
| Cancelled grants | - | - | - | - | - | - |
| Staff cost allocation (note 4) | 104,017 | - | 104,017 | - | - | - |
| | 1,679,598 | - | 1,679,598 | - | - | - |
| General Fund | | | | | | |
| Direct grant costs | 35,802 | - | 35,802 | 105,563 | - | 105,563 |
| Cancelled grants | - | - | - | - | - | - |
| Staff cost allocation (note 4) | - | - | - | 67,912 | - | 67,912 |
| | 35,802 | - | 35,802 | 173,475 | - | 173,475 |
| Development Fund | | | | | | |
| Direct grant costs | - | - | - | 374,116 | 76,466 | 460,582 |
| Cancelled grants | (236) | - | (236) | - | - | - |
| Staff cost allocation (note 4) | - | - | - | 97,500 | - | 97,500 |
| | (236) | - | (236) | 471,616 | 76,466 | 548,082 |
| Community Empowerment | | | | | | |
| Direct grant costs | - | - | - | - | - | - |
| Cancelled grants | - | - | - | (135,861) | - | (135,861) |
| Staff cost allocation (note 4) | - | - | - | - | - | - |
| | - | - | - | (135,861) | - | (135,861) |
| Leadership Development | | | | | | |
| Direct grant costs | 30,000 | - | 30,000 | - | - | - |
| Cancelled grants | (326,858) | - | (326,858) | (102,433) | - | (102,433) |
| Staff cost allocation (note 4) | - | - | - | - | - | - |
| | (296,858) | - | (296,858) | (102,433) | - | (102,433) |
| Public Engagement | | | | | | |
| Direct grant costs | - | - | - | 9,601 | - | 9,601 |
| Cancelled grants | (2,577) | - | (2,577) | (372,730) | - | (372,730) |
| Staff cost allocation (note 4) | - | - | - | - | - | - |
| | (2,577) | - | (2,577) | (363,129) | - | (363,129) |
| Total funds | 1,415,729 | - | 1,415,729 | 43,668 | 76,466 | 120,134 |

During the year a number of grants, awarded in prior years, which did not meet the grant agreement criteria had been cancelled. In the prior year, grants were withdrawn as the Foundation's grant making policy had shifted towards a comprehensive postgraduate scholarship scheme, which supports emerging leaders within the Muslim community in the UK.

During the year, the number of grants awarded was as follows;

Masters Scholarships 138 (2019 – nil)

Bursaries 10 (2019 – nil)

Grants 1 (2019 – 33)

Notes to the financial statements for the year ended 31 March 2020

3 Support costs

| | Year to 31 March 2020 Total £ | Year to 31 March 2019 Total £ |
|------------------------------|---|---|
| Staff costs (note 4) | 29,574 | 169,734 |
| Other administration costs | 9,054 | 10,779 |
| Office premises gift in kind | 13,200 | 13,200 |
| Audit fee | 4,800 | 6,000 |
| Total funds | 56,628 | 199,713 |

4 Staff costs

| | Year to 31 March 2020 Total £ | Year to 31 March 2019 Total £ |
|--|---|---|
| Staff costs during the year were as follows: | | |
| Wages and salaries | 106,352 | 279,886 |
| Social security costs | 10,189 | 32,107 |
| Other pension costs | 2,530 | 4,572 |
| | 119,071 | 316,565 |
| Sub-contracted staff | 14,520 | 18,581 |
| | 133,591 | 335,146 |

Total staff costs have been allocated to grants payable under the Masters Scholarships this year and between grants payable – being General Fund and Development fund in the prior period – and support costs based on an estimate of time spent in each area. These are allocated as follows:

| | Year to 31 March 2020 Total £ | Year to 31 March 2019 Total £ |
|--------------------------------|---|---|
| Charitable activities (note 2) | | |
| .Masters Scholarships | 104,017 | - |
| .General Fund | - | 67,912 |
| .Development Fund | - | 97,500 |
| | 104,017 | 165,412 |
| Support cost (note 4) | 29,574 | 169,734 |
| | 133,591 | 335,146 |

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2019 - none).

The average number of employees, analysed by function, was as follows:

| | 2020 No. | 2019 No. |
|----------------------------------|-------------|-------------|
| Grant and charity administration | 4 | 8 |

Notes to the financial statements for the year ended 31 March 2020

5 Taxation

The Aziz Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

6 Debtors

| | 2020 Total £ | 2019 Total £ |
|--------------------------------|-----------------------------|--------------------|
| Donations receivable (note 13) | 1,214,144 | 1,597,507 |

7 Creditors: falling due within one year

| | 2020 Total £ | 2019 Total £ |
|---|-----------------------------|--------------------|
| Grants payable | 1,018,307 | 832,766 |
| Grants to be returned | - | 20,000 |
| Accruals | 5,217 | 14,686 |
| Total creditors falling due within one year | 1,023,524 | 867,452 |
| | - | |
| Grant commitments at 1 April 2019 | 1,590,607 | 2,652,706 |
| Commitments made in the year | 1,311,713 | 45,278 |
| Grants paid during the year | (1,687,590) | (1,016,821) |
| Grant commitments at 31 March 2020 | 1,214,730 | 1,590,607 |
| Falling due within one year | 1,018,307 | 832,766 |
| Falling due in more than one year (note 9) | 196,423 | 757,841 |
| | 1,214,730 | 1,590,607 |

8 Creditors: falling due after more than one year

| | 2020 Total £ | 2019 Total £ |
|----------------|-----------------------------|--------------------|
| Grants payable | 196,423 | 757,841 |

9 Restricted funds

| | At 1 April 2019 £ | Income £ | Expenditure £ | At 31 March 2020 £ |
|----------------------|----------------------------|-------------|------------------|-----------------------------|
| Unbound Philanthropy | 14,520 | - | (14,520) | - |
| | 14,520 | - | (14,520) | - |

The purpose for which the restricted funds were held is as follows:

Unbound Philanthropy awarded a grant to the Foundation (£25,000) in 2018/19 for the second phase of the research programme and communication strategy regarding public views, attitudes and understanding of Muslim communities. The research was completed at the end of the Summer 2019.

Notes to the financial statements for the year ended 31 March 2020

9 Restricted funds (continued)

| | At 1 April 2018 £ | Income £ | Expenditure £ | At 31 March 2019 £ |
|----------------------|----------------------------|---------------|------------------|-----------------------------|
| National Zakat Fund | 30,726 | 15,000 | (45,726) | - |
| Unbound Philanthropy | 20,260 | 25,000 | (30,740) | 14,520 |
| | <u>50,986</u> | <u>40,000</u> | <u>(76,466)</u> | <u>14,520</u> |

The purpose for which the restricted funds were held is as follows:

National Zakat Foundation (NZF) – NZF set up a scholarship programme called the 'Muslim Leadership Development Programme' (MLDP) of £120,000. The funds were distributed by Aziz Foundation (AF) (£30,000) and NZF (£90,000) to Muslim men and women with relevant education and training to facilitate clear pathways into careers and leadership roles for them.

Unbound Philanthropy (UP) – UP awarded a grant to AF (£20,000) towards the Contest Commission, an independent commission will be able to provide a holistic review of counterterrorism legislation, policy and practice. After 31 March 2019, the Board of Trustees cancelled the Contest Commission grant, as very little progress has been made to set up the Commission. The funds had been returned to UP in 2019/20. UP also awarded another grant to the Foundation (£25,000) in 2018/19 for the second phase of the research program and communication strategy regarding public views, attitudes and understanding of Muslim communities.

10 Analysis of net assets between funds

| | Restricted funds £ | General fund £ | Total 2020 £ |
|---|--------------------------|----------------------|--------------------|
| Fund balances at 31 March 2020 are represented by: | | | |
| Net current assets | - | 196,423 | 196,423 |
| Creditors: amounts falling due after more than one year | - | (196,423) | (196,423) |
| Total net assets | - | - | - |
| | Restricted funds £ | General fund £ | Total 2019 £ |
| Fund balances at 31 March 2019 are represented by: | | | |
| Net current assets | 14,520 | 757,841 | 772,361 |
| Creditors: amounts falling due after more than one year | - | (757,841) | (757,841) |
| Total net assets | <u>14,520</u> | <u>-</u> | <u>14,520</u> |

11 Remuneration of Trustees and key management personnel

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The Trustees and the Director receive no remuneration or reimbursement of expenses in connection with their duties.

12 Related party transactions

During the year, the Foundation received donations, both in the form of cash and in-kind support totalling £1,841,200 (2019 – £474,200), from Criterion Capital Limited, Assembly House (London) Hotel Limited, Leicester Square (London) Hotel Limited, Trocadero (London) Hotel Limited and Victory House (London) Hotel Limited whose controlling director is also the Chair of the Foundation. Amounts receivable at 31 March 2020 were £1,214,144 (2019: £1,597,507).