

**THE MAINSTAY FOUNDATION  
(A Charitable Incorporated Organisation)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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<b>Trustees</b>	Mr H Al-Aloom Mr H Al-Hakeem Mr M Marashi (Chair)
<b>CIO Number</b>	CE006901
<b>Charity registered number</b>	1166017
<b>Registered office</b>	Office 11, Abji Bapashree House 211 Kingsbury Road London NW9 8AQ
<b>Executive Trustee</b>	Mr H Al-Hakeem
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountant & Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
<b>Bankers</b>	Barclays Bank PLC 75 King Street Hammersmith London W6 9HY
<b>Solicitors</b>	BDB Pitmans 50 Broadway Westminster London SW1H 0BL

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Trustees present their report and the financial statements of the charity for the year ended 31 December 2019.

**Structure, governance and management**

The Mainstay Foundation is a Charitable Incorporated Organisation (CIO), registered with the Charity Commission for England and Wales on 11 March 2016 with the registered charity number 1166017.

**Governing Document**

The governing document of The Mainstay Foundation is its Charitable Incorporated Constitution (CIO), adopted on 11 March 2016, which contains the Charity's charitable objectives (to which it must adhere) and sets out various rules and procedures for the running of the Charity.

**Organisation Structure**

As a charitable incorporated organisation, the board of Trustees are responsible for the oversight and strategic direction, which includes management and control of the annual work plan, annual budget and the establishment and review of policies and procedures of the Charity. More specifically, the board of Trustees are responsible for:

- Ensuring that the Charity has a clear vision, mission and strategic direction and is focused on achieving these (Strategic Responsibility).
- To control delegated authority to Committees and staff (Control Responsibility)
- To be responsible for the performance of the Charity (Performance Responsibility).
- To ensure that the Charity complies with all legal and regulatory requirements (Compliance Responsibility).
- To act as guardians of the Charity's assets, both tangible and intangible, taking all due care over their security, deployment, and proper application (Responsibility to Safeguard the Assets).
- To ensure that the Charity's governance is of the highest possible standard. (Governance Responsibility).

As part of its general control and management of the charity, the board of Trustees delegate day to day management to the Executive Trustee, who in turn reports back to the board, and presents the affairs of the charity within regular board of trustee meetings and the Charity's annual strategic review meeting. The Executive Trustee is responsible for managing the staff of the Charity, overseeing the operational activities of the charity, meeting with donors and beneficiaries, overseeing the necessary due diligence checks and procedures and managing the grant making activities and monitoring procedures.

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**Trustee Selection Methods**

Asides from the first Charity Trustees, Trustees are appointed for three-year terms by resolution passed at a properly convened meeting of the Trustees.

In selecting individuals for appointment as appointed charity Trustees, the charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. In particular, the board will apply the following criteria to the recruitment process:

- Trustees should be familiar with overseas relief work and understand the practical manner in which the Charity carries out its objectives;
- Trustees should possess appropriate, adequate administrative and related experience to enable them to add value to the overall effective administration of the Charity on a strategic level;
- Trustees should possess experience of the not for profit sector, charity operations and the skills required by staff working within this area; whilst
- Trustees should also, if possible, possess adequate professional or commercial experience (e.g. accounting, banking, legal, fundraising etc.) to enable them to contribute to the overall effective administration of the Charity.

In considering these criteria the Trustees have regard to the fact that the Charity has access to appropriate professional advice when necessary. It is therefore not essential for each trustee to have a professional qualification such as that of an accountant or lawyer. However, it is considered advantageous for new Trustees to have experiences in these areas.

**Trustee Induction**

As part of the recruitment process the Charity recognises the importance of induction. In order to understand the workings of the Charity and their role within it, new Trustees will be given the following documentation on taking up office:

- An up-to-date copy of the Constitution;
- Copies of the minutes of the last three Trustee meetings
- A copy of the most recent report/accounts of the Charity
- The business plan (including fundraising projections and strategy) for the current year
- Copies of this Governance Manual and any other relevant policies
- A copy of the Charity Commission publication "The Essential Trustee: what you need to know, what you need to do".

This preliminary information should enable new Trustees to understand the overall administration and governance structure and help them to play an active role in its administration.

In addition, new Trustees will be invited to attend a Board meeting (whether in person or by telephone) prior to accepting the role and will have an opportunity to meet their fellow Trustees and staff as appropriate.

**On-going training of Trustees**

Trustees will review the Charity Commission's guidelines regularly and implement the best practices where they can. Internal training sessions will be arranged for the Trustees and where necessary, the services of a professional training provider will be used.

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**Objectives and activities**

**Charitable objectives**

The objects for which The Mainstay Foundation has been established (as set out in its constitution) are as follows:

- The advancement of the religion of Islam in accordance with the principles and tenets of the Shia Ithna Ashari (Twelver Shia) Muslim faith;
- The advancement of education, primarily amongst adherents of the Shia Ithna Ashari Muslim faith, by providing support to institutions and scholarships to individuals; and
- The advancement of community development, primarily but not for the benefit of adherents of the Shia Ithna Ashari Muslim faith, by means including:
  - ❖ The relief of poverty and the improvement of the conditions of life within socially and economically disadvantaged communities and vulnerable groups;
  - ❖ The relief of financial need and suffering amongst victims of natural and or other kinds of disasters (including the promotion of sustainable means of achieving economic growth and regeneration);
  - ❖ The promotion of national and international conflict resolution and reconciliation and
  - ❖ The relief of financial need and suffering among victims of natural and other kinds of disaster

The primary mission of the charity is to assist in the advancement of Shia Muslim communities globally in the areas of Religion, Education and Development.

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**Main activities undertaken in pursuance of its charitable objectives**

The Mainstay Foundation carried out the following activities in pursuance of its charitable objectives:

- ❖ The advancement of the Religion of Islam: In light of The Mainstay Foundation's focus upon the advancement of the religion of Islam in accordance with the principles and tenets of the Shia Ithna Ashari (Twelver Shia) Muslim faith, the following activities were carried out:
  - ❖ Grant Making: As part of its ongoing commitment to the advancement of religion globally, the Charity spans its funding within four continents and 8 countries. These countries are listed as follows:
    - United Kingdom
    - Sweden
    - Denmark
    - Germany
    - USA
    - Kenya
    - Tanzania
    - India

These grants ranged from single project basis grant awards awarded as a one-off payment to successful applicants as part of a live, advertised and project specific grant award to partnership-based grant awards which involves the provision of grants to NGOs and Charities for one or more ongoing projects and which involves ongoing funding as part of a partnership agreement. Grants awarded to recipients were generally although not exclusively limited to; supporting the implementation of religious and spiritual programmes, the development of mosques and Islamic centres, supporting the development of seminaries, scholars and religious institutions focused upon academia and the preservation of Islamic knowledge.

- ❖ The Muslim Convention: The Mainstay Foundation in collaboration with various partners, successfully held its second yearly initiative entitled The Muslim Convention, which its aim is to provide a networking platform for Shia Muslims in order to promote their spiritual, educational, social and economic well-being.
- ❖ Najaf Retreat: As part of the yearly Najaf Retreat initiative organised and run by The Mainstay Foundation, UK and US citizens aged between 18-25 usually are taken to Najaf, Iraq and other holy and culturally significant cities within Iraq to share and benefit from a cultural, religious and educational programmes. In the year 2019, the Charity faced the risk of going through with this project due to the unrest in the country at the time. The Trustees assessed and mitigated this risk by cancelling the trip.
- ❖ Summer Camp Retreat: In collaboration with a partner Organisation, The Mainstay Foundation maintained its previous yearly activity of partnering and providing financial and logistical support to a local charity that runs a summer camp within the UK aimed at providing fun, creative and spiritual experiences to children and their families.
- ❖ Muharram programme: The Mainstay Foundation supported a ten-day Muharram programme during Muharram 2019, which focusing on the tragedy of the Prophet Muhammad's grandson- Hussain Ibn Ali, catered to the spiritual, religious and educational needs of community members within London, United Kingdom.
- ❖ Imam Ali birth celebration: Maintaining the yearly initiative of celebrating the birth of Ali Ibn Abi Talib, the first Imam In the Shia faith, The Mainstay Foundation in collaboration with its local faith organisations helped organise and run a celebratory daylong event in English and Arabic in London, Birmingham and Manchester.

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- ❖ Imam Kadhim demise commemoration: Commemorating the demise of the seventh Imam of the Shia Ithna Ashari Faith- Imam Musa al-Kadhim, The Mainstay Foundation organised and ran an afternoon lecture programme in English in London.
- ❖ The advancement of education: Considering The Mainstay Foundation's objective of the advancement of education, primarily amongst adherents of the Shia Ithna Ashari Muslim faith, the following activities were carried out:
- ❖ Grant Making: The Mainstay Foundation increased grant making activity to new and existing partners within the following countries:
  - Tanzania
  - Kenya
  - India
  - Iraq

These grants helped support various projects aimed at supporting education amongst children within disadvantaged and impoverished communities, who otherwise face significant difficulties in acquiring an education. These projects involve sponsoring the costs of students within Tanzania, Kenya, India and Iraq, which involved covering their tuition, uniform, reading material, transport, food and stationary costs so that students can attend schools run or reviewed by our local partners. These students are also provided with other forms of support and are monitored and encouraged to seek further education. The Mainstay Foundation also provided grants to a local partner charity within Iraq who run a higher educational institute that provides postgraduate academic education.

- ❖ The advancement of community development: Community development in this case refers to The Mainstay Foundation's constitutional objective of promoting sustainable development with special regards to the relief of poverty, the relief of financial need and the promotion of religious and racial harmony, exclusively but not limited to adherents of the Shia Ithna Ashari Muslim faith. The main activity falling under this category is as follows:
  - ❖ Grant Making: The Mainstay Foundation awarded partner-based grant awards to local partners within the following countries:
    - Iraq
    - Tanzania
    - Kenya
    - India

Grants were awarded to local partners with the objective of supporting primarily poverty relief efforts. These efforts run and managed by our partners included: providing financial support to orphans and their guardians; providing medical treatments and consultation; providing housing to impoverished communities and providing clothing and providing food, in the form of food baskets, which include base ingredients to support families and providing courses aimed at teaching basic trades. During the reporting period the Charity also supported water aid efforts and provided grants and logistical support to a local partner for the construction of solar panelled water wells within Kigoma, Tanzania.

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**Grant Making Policy**

In conjunction with supporting other Organisations, logically or otherwise, and organising and running's the Charity's own activities, grant awards form the backbone of achieving the Charity's abovementioned charitable objectives and aims. The board of Trustees govern the Charity's grant making policy by setting and managing the grant making principles, the grant making criteria and the grant making process. The board of Trustees apply the funds of the Charity at their own discretion and in accordance with the Charitable purposes and objectives of the Charity. The board of Trustees are also responsible for the overall award of any grant and their decision is final.

The grant making process surmised is as follows: Recipients are of two types; partner basis recipients or single project basis grant recipients.

Partner recipients are Charitable Institutions who receive funding, usually in the form of but not limited to monthly, quarterly or yearly grants for single and or multiple projects that fulfil one or more charitable objectives of the charity. Funding for these projects can involve the implementation of newly designed project/s and or the support, maintenance and expansion of existing project/s initiated by partner-based recipient. Decisions with regards to partnerships are decided by the board of Trustees, and initiation of partnerships are subject to what the board of Trustees and senior management decide is in the best interest of the Charity in view of achievement of the charitable objectives of the Charity, in the short and long term and in line with the grant making policy of the Charity.

Single project basis grant recipients are those who receive funding as part of an advertised grant award for a project set out by the Foundation. These projects are typically although not always limited to the achievement of a single objective, usually the Advancement of Religion, and recipients apply and are awarded as part of a set out application process. In contrast to partner recipients, a strict application process and deadline is in place of project basis grant awards and funding is awarded in usually although not always limited to single grant awards, i.e. non-continuous funding for implementation of the advertised project set out by The Mainstay Foundation.

The Charity's grant provision process entails rigorous checks to which both types of recipients have to undergo. As such, the Charity applies due diligence procedures (enhanced where necessary), in addition to account and relevant document examinations (in person and otherwise) and site visits. The charity adopts a risk-based approach to its grant making activities, which entails but is not limited to the size of the grant/s, the geographical location (high risk jurisdiction etc) in which the grant will be applied, the size of the beneficiary, where the beneficiary is based, Politically Exposed status, amongst other factors.

As part of the grant provision process, quarterly reports for partner-based recipients and final progress reports for single project-based recipients are to be carried out and sent to us, where we principally review how grants were spent and whether and how the goals/objectives were met. Final progress reports are sent from within three months of the date of the grant award.

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**Contribution Made by Volunteers**

As part of its emphasis upon community involvement and capacity building, The Mainstay Foundation benefits from the work of volunteers who play a pivotal role in ensuring that many of our activities, with the exception of grant making activities are carried out effectively and achieve maximum impact. Volunteers typically, although are not always limited to aiding the Charity in activities relating to the advancement of religion. Their contribution during the 2019 reporting year as follows:

- ❖ The Muslim Convention: During the 2019 Muslim Convention, the Charity utilised the services of over 50 volunteers, who in their various capacities and roles helped set up the convention, acquire and manage speakers, manage workshops, move equipment and set up and distribute food as part of managing the logistics and operations involved with the Convention.
- ❖ Muharram Commemoration Programme: Several volunteers helped manage the audio and video recording of the ten-day long Muharram commemoration programme. In addition, several volunteers managed the food and drinks hand out aspect of the programme.

As per the Charity's Managing Volunteers Policy and its Staff and Remuneration Policy, volunteers were not paid any salaries. However, volunteers were reimbursed for any travel and food and drink costs.

**Public Benefit**

The charitable objects and activities which The Mainstay Foundation undertakes for the public benefit and achievement in delivering these are set out in the relevant sections of this Trustees annual report. The board of Trustees of The Mainstay Foundation ensure that the activities undertaken by The Mainstay Foundation are relevant and beneficial to the needs of our beneficiaries and more broadly promote the betterment of UK society and other societies with which The Mainstay Foundation operates.

Further, the board of Trustees of this Charity declare and confirm that they have had regard to and have complied with the guidance issued by the Charity Commission on Public benefit.

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**Achievements and performance**

2019 was an incredibly active year for The Mainstay Foundation as we expanded and grew our activities in line with the objectives of strengthening faith, fostering education and developing communities around the world. During this reporting year, we are proud to say that the charity worked tirelessly to expand our operations, visit new regions where our work can have an impact, develop and strengthen new and existing partnerships and increase our grant making and non-grant making activities to a wide beneficiary base across new regions. These achievements and the important impact it has made to the circumstances of beneficiaries and the wider societies in which they live, can be seen below. For practical and reporting purposes, this has been categorised by the charitable objective, region and on a project basis as follows:

**The Advancement of Religion**

India

- ❖ Faith Oriented Programmes: We partnered with and provided ongoing grants to 2 local partners on the ground within India for the purposes of several ongoing faith-based projects. As a result of our funding, several thousand beneficiaries within Mumbai and Lucknow, amongst other cities have benefitted from spiritual and religious programmes that cater to the needs of the Muslim community. These programmes include those of the holy months of Ramadhan and the month of Muharram.
- ❖ Supporting Mosques and Islamic Centres: Faith based initiatives could not occur without support and development of places of worship. For this reason, we provided monthly grants to a local partner for the purposes of the construction of several mosques within India in addition to supporting the maintenance of these mosques through repairs 7 Islamic Centres were repaired in this region.
- ❖ Supporting Scholars and Seminary Education: At The Mainstay Foundation we strongly believe in the need for support of scholars learned in the Shi'i faith. For this reason, we provided grants to our local partner who run and manage seminary education and support 985 scholars who serve their communities in their capacity as representatives of faith.

Africa

- ❖ Supporting Mosques and Islamic Centres: In 2019, we continued our support in the form of grants to our local partners within Tanzania and Kenya, which led to the construction and maintenance of over 50 mosques and Islamic Centres across both countries, in turn offering a place of worship and spiritual support for several thousand beneficiaries within these countries.
- ❖ Supporting Scholars and Seminary Education: As part of our ongoing efforts in developing seminary institutions and supporting scholars who share our faith and vision, we provided monthly grants to our local partners within Tanzania and Kenya for the maintenance and training of several seminary establishments, in addition to the support of over 500 students of religion and scholars.

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North America

- ❖ DRIVE Retreat: As part of our commitment to strengthening faith across the world, we provided grants to our local partner based in Michigan, to support their four-day retreat programme. The programme for the high school students, provided a holistic programme rich in educational and spiritual upliftment. The programme for the university students was more leadership oriented. The university students served as mentors for the high school students, engaging with them and building lasting bonds. The DRIVE Retreat was attended by 90 high school students, 40 university students.
- ❖ Ramadhan and Muharram grants: The Mainstay Foundation supported the award of grants to 16 centres and organisations in the United States for the Holy Month of Ramadan and Muharram. Most of the centres struggle with funding for various reasons. Some are smaller centres in small communities with a limited donor base. Others are from communities that are not affluent and have limited financial capital. These grants facilitated 30-day programmes during the Holy Month of Ramadhan and 10-day programmes during Muharram that would otherwise not have happened due to the limited access to funding of the centres. Grants awarded by our local partner were used to subside the various mosques and Islamic centres project costs, and specifically restricted to being used to cover programme expenses such as speaker and venue expenses.
- ❖ INSPIRE: The charity is proud to have supported the INSPIRE project in the US region. INSPIRE is a weekend long retreat which aims to provide capacity building (personal, professional, and leadership development) at a high level for university students and young professionals who are active in their communities. Various speakers were invited to conduct seminars and workshops on leadership, spiritual upliftment and other capacity building areas. 55 young leaders attended the 2019 INSPIRE retreat.
- ❖ Muharram Programme: The charity supported a flagship Muharram commemoration programme in Dearborn, MI titled Mawkip Al-Abbas. Mawkip Al-Abbas aims to foster a culturally rich environment targeting males in our community ages 16-30. Furthermore, the program intends to be a springboard for providing more tailored programs targeting the youth. The program spanned over 11 days. On average, 300 male youth attended ranging between ages 15-30.

UK & Europe

- ❖ Holy Month of Ramadhan Grant Awards: As part of our commitment to supporting faith-based events domestically and internationally, we awarded a single project basis grant award to 8 successful applicants based in the UK, Sweden and Denmark for the purposes of supporting holy month of Ramadhan projects, aimed at catering to the religious and spiritual need of local constituents. These projects proved highly successful, with each awardee having more than 100 people on average attend its holy month of Ramadhan programmes during each day of the project's implementation.
- ❖ Month of Muharram Grant Awards: Similar to the holy month of Ramadhan grant awards, grants were advertised and awarded to successful applicants of individuals and organisations, who used their grant awards to cover the costs of their Muharram programme expenses. In 2019, the impact of the project has grown to providing grants to 15 organisations or individuals. The impact has been positive as we saw an increase of a range of organisations hosting events and individuals being able to produce creative content to spread the message of Muharram and its events. Programmes included lecture series, eulogies, theatre plays and seminar sessions that catered to the religious, spiritual and educational needs of community members within the UK and EU.
- ❖ Summer camps: The charity endorsed the running of summer camps for the purposes of engaging the community through laid back retreats. The summer camps project aims to spiritually and physically uplift the

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attendees through dedicated workshops and activities in the summer. The Charity further supported a local partner to subsidise spaces for young people aged 16-23 from deprived families or low-income families/students to ensure they can join the summer camp and gain significant skills to support them in their future. 60 young-people benefited from the subsidised cost of the summer camp.

- ❖ The Muslim Convention: The Mainstay Foundation is proud to have held the second year of The Muslim Convention during November 2019 in Manchester. The event aimed at broadening participants educational, professional and religious horizons proved a huge success as over 500 participants took part in an engaging talk-show, were inspired by the key note speeches and benefited from question and answer sessions lead by scholars of faith, academics and professionals in various industries. The family friendly event also provided multiple activities to engage the children of the participants throughout the day. The day was rounded off with festivities and celebrations honouring the birth of the Holy Prophet of Islam.
- ❖ Faith based programmes: The Mainstay Foundation directly organised and hosted several faith programmes held in across the UK. The first of these, the yearly Imam Ali Birth Celebratory event which attracted over 800 attendees across 3 cities for the celebration of the first Imam of the Shi'i faith- Ali Ibn Abi Talib. Attendees benefited from world renowned speakers and reciters. We also supported various other Imam Ali celebratory events across the UK, in which we sponsored the costs of speakers and reciters at these events. Our second faith-based programme directly implemented by us was that of the remembrance of the demise of the seventh Shi'i Imam- Musa Al Kadhim, in which over 100 attendees participated in the commiserative event. Our final faith based programme was that of the tragic month of Muharram, where we organised a ten day lecture series aimed at enlightening attendees religious and educational horizons through an examination of our holy personalities with a special emphasis upon the tragedy of Ashura, which marked the tragic demise of the third Imam of the Shi'i faith- Husayn Ibn Ali.
- ❖ Najaf Retreat: The Mainstay Foundation unfortunately had to cancel the yearly project that connected Muslim professionals and students living in the United Kingdom, the United States and Canada to the Holy City of Najaf – home to the Imam Ali (as) Shrine and the centre of Islamic learning. Through 10-day seminar-styled retreats, participants engaged directly with the senior-most ranking scholars of the seminary. While participants greatly benefitted from their experience, so do the scholars themselves. During these retreats, they deepened their understanding of the challenges facing communities in the West and appreciated the group's openness and interest.

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**The Advancement of Education**

**India**

- ❖ Supporting Primary, Secondary and Higher Education: As part of our visits to our local partners on the ground within India, The Mainstay Foundation noticed many financial constraints owing to poverty facing children within several cities in India which severely impacted their ability to acquire an education. In trying to address this educational inequality, we provided 3 partners with ongoing grants so that students principally within although not exclusively limited to Mumbai (including the Mumbai metropolitan region), Juanpur, Barabanki and Moradabad are able to maintain their education and or be enrolled into new schools. These grants helped support the ongoing yearly costs of more than 1274 disadvantaged students, which included covering their school fees and textbooks, uniforms, stationary, transport and food costs. Having enrolled students into schools and colleges, our partners on the ground monitor each students progress and ensure they have the support needed to achieve their potential.

**Iraq**

- ❖ Supporting Primary and Secondary School Education: The Mainstay Foundation partnered with a charity within Iraq, who manage and run a school predominantly for impoverished orphans and disadvantaged students. The grants provided to the partner sponsored the costs of the students' education, which covered their school fees and their clothing, textbook, stationary, food and transport costs. As is the case with all grants we send for the purposes of education, students' progress was monitored, and students were provided with additional care and support to open as many opportunities as possible for them. The Mainstay Foundation supported 180 students through this partner.
- ❖ Supporting Higher Education: The Mainstay Foundation strongly believes in the need for supporting higher education for the long-term development of the broader community. Considering this, the Charity supported an Institute for Higher Education within Najaf through the provision of monthly grants. This Institute offers various postgraduate courses to students with a special focus upon law and politics and our funding helped support the maintenance costs of the institute and the costs associated with postgraduate education for more than 95 enrolled students.

**Africa**

- ❖ Supporting Primary and Secondary School education: In line with our objective to focus upon the advancement of education around the world, the Charity provided ongoing support to our local partners within Tanzania and Kenya. The partners enrolled over 1000 impoverished students to primary and secondary schools so that they could acquire and maintain an education which is critical to their and their family's futures.

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**The Advancement of Community Development**

**India**

- ❖ Supporting Orphanages: In our bid to provide a caring and nourishing environment for orphans without care in India, we provided monthly grants to a local partner for the purposes of maintenance and development of orphanages. In 2019, 3 orphanages which maintained a total of 84 orphans between them were supported by the Charity in the regions of Mumbai and Gujarat.
- ❖ Health and medical: The Mainstay Foundation is pleased to have supported multiple programmes geared towards supporting medical treatment. Through grants to a local partner, the Charity contributed to a project of maintaining and supporting hospitals and clinics within the areas of Mumbai, Lucknow, Alinaqi Palem, Sirsi and Mubrakpur. In the year 2019, more than 125,000 patients were treated in these clinics. Furthermore, the partner provided financial assistance to those needing financial support to pay for medical treatment. 3322 cases were supported in the financial support for medical treatment programme.
- ❖ Housing: As part of our objective of the advancement of community development and the relief of poverty, we provided a grant to our local partner who manage a home ownership scheme. This scheme involved the construction of 21 flats in the Gujarat region which are offered to poor families at a subsidised rate to encourage home ownership and or rent at a lower cost. This provides families with a basic start point where a part of their burden is lifted, so that they may go on to work towards becoming self-sufficient.
- ❖ Economic upliftment: To encourage self-sustainable growth financially, we awarded grants to a local partner who engaged in a project which provided 5 small businesses an interest-free loan. This helped the businesses to grow and thrive with a loan that has an easy repayment scheme. The economic upliftment of these businesses will provide long-term support for the community in the region to thrive and become self-sustained.
- ❖ Monthly wage giving: In attempting to address the dire conditions facing widows, single parent families and impoverished individuals, we provided monthly grants to a local partner who provide monthly wages to those in need, so as to alleviate and better manage the immediate destitution facing these families. A total of 803 people were supported through this programme in 2019.
- ❖ Provision of Food: The Charity awarded 2 local partners with a grant each for the purposes of providing food aid to beneficiaries within several cities in India. These food baskets included ingredients to allow for the sustenance of impoverished families for an amount of time to alleviate the financial burdens of having to purchase food. 2800 families with an average family size of 5 including orphans, widows and others in need received these food baskets within Mumbai, Kashmir, Bangalore, Nagpur and Pune. A further 685 families were fed for a period of 3 months through a partner's food aid programme.
- ❖ Ramadhan and Eid aid: The holy month of Ramadhan is a time where communities come together, engage in communal worship and break their fasts together. During this time, many families do not have basic food to break their fasts with. We are proud that in 2019, through 3 of our local partners, more than 9153 food baskets were distributed throughout the country including the cities of Lucknow, Mumbai, Kashmir and Gujarat. More than 950 families were provided with food aid directly in the month of Ramadhan. During the celebratory period of Eid, more than 5635 children received Eid gifts to enjoy the festivities and celebrations.

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Iraq

- ❖ Ramadhan food aid: The charity is proud to have sponsored multiple food aid projects in the year 2019. Food packages were given out during the Holy Month of Ramadhan in a number of cities throughout the region of Iraq. 8695 packages were handed out in honour of the Holy month to help beneficiaries have meals to break their fasts. Another food aid project was conducted in a partner school, providing 180 impoverished students with food baskets.
- ❖ Eid gifts: The Mainstay Foundation facilitated the gift-giving programme in celebration of the Eid at the end of Ramadhan. 6750 orphans were each gifted \$10 during this project. The event is a time of joyousness and happiness and the Charity strongly supports including the orphans who may not have anyone to gift them on this auspicious occasion.

Africa

- ❖ Water Project: In continuation of 2018 project, The Mainstay Foundation were pleased to accomplish the launching of the water desalination plant which was launched at Miamba Village in Kwale County, Kenya. The project is the first Green Energy Project in Kwale County and its focus is to provide 10,000 litres of drinking water a day using solar energy. In addition to drinking water, the plant is linked to an experimental farm which will be irrigated through an advanced computerised system of targeted water delivery to crops through a drip irrigation mechanism. The farm is used to grow high value cash crops and as a training ground for farmers from the area towards the promotion of ecological agriculture.
- ❖ Dental Camps: In the year 2019, The Mainstay Foundation contributed towards 3 free dental camps were held through our local partner in Tanzania. A total of 4,077 patients were screened across 3 centres in Kigoma, Tanzania with more than 3,000 extractions being performed. At one centre in particular, patients included teachers and students of various ages.
- ❖ Economic Upliftment Programmes: Aligned with our charitable objective of community development, we awarded our local partner within Tanzania and Kenya monthly grants for the purposes of economic upliftment programmes aimed at teaching individuals, primarily women, a key trade or skills for employment purposes. The project consists of 17 groups established in rural centres managed by the partner. These groups provide vital lessons in applying skills that would help beneficiaries support their families.
- ❖ Monthly wage giving: As part of our commitment around the world to alleviate the suffering facing impoverished families, we provide our local partner on the ground with grants so as to support their ongoing efforts within Tanzania and Kenya to provide monthly wages to those in need.
- ❖ Food pack: Continuing with yearly food distribution during the Holy Month, the Charity awarded a grant to our local partner operating within Tanzania and Kenya for the purposes of distributing food in centres in the following regions of Tanzania and Kenya: Arusha, Coastal Regions, Bukoba, Moshi, Kigoma and Tanga. Both the morning and evening meals would be served in the centres across the region accompanied by lecture and communal worship programmes.
- ❖ Provision of basic amenities: The Mainstay Foundation provided a grant to a partner carrying out relief work on the ground in Africa for the purposes of providing necessities such as food and shelter. Many families live in poor conditions lacking sanitation and food and thus, the Charity facilitated the aid of the poverty-struck families.
- ❖ Publications: An Islamic calendar for the year was published benefiting the community by reminding them of the key dates in the Islamic Calendar. The calendars were distributed to all centres and mosques in the region.

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **Measuring Achievements**

The Mainstay Foundation maintains strict and thorough performance reviews which are overseen by the board of Trustees. In this regard, all activities undertaken by the Charity were regularly reviewed and monitored by the Charity, ensuring our activities achieve maximum impact.

With regards to Grant Awards, the grant provision process designed and implemented by the Charity ensures that regular reporting for partner-based grant awards is received and reviewed by the Charity. This occurs in the form of site visitations and various monitoring tools, such as quarterly progress reports and achievements are monitored in line with project milestones/objectives set out prior to the initiation of funding. Similarly, our single project basis grant awards are monitored in line with milestones/objectives set out prior to the awarding of a grant, and projects are reviewed through on-site visitations and through final progress reports which are sent to us by grant awardees within three months of the date the grant was awarded.

For activities that were not based upon grant awards, numerous evaluative tools were put in place to review performances for the various activities supported by and organised directly by Charity. These include figures and feedback surveys carried out by participants immediately after and following the respective activities.

### **Financial review**

The total income of the Charity for the reporting period was £2,382,977 (2018; £2,704,159) and the total expenditure amounted to £2,190,754 (2018; £2,435,639). This left a surplus of £192,223 (2018; £268,500).

Including support costs, which amounted to £108,250 (2018; £72,141) the charities expenditure was £953,934 (2018; £911,982) on the advancement of Community Development, £637,291 (2018; £713,057) on the advancement of Education and £599,529 (2018; £730,600) on the advancement of Religion.

The Charity acquires its principal source of funding through donations by donors which are used to achieve the Charity's objectives and cover its operational costs. The Charity does not engage in income related services, nor in any investments whose purpose is to increase funding for the Charity.

### **Reserves Policy**

The board of Trustees have decided that the Charity's policy on reserves is to maintain sufficient unrestricted funds to cover up to 6 months of operating and payroll costs should a short fall in income occur. Potential risks facing the Charity and contingency funds that may be needed as a result, have also been considered through means of risk assessments and consultations in determining this policy.

The amount that is considered required to cover the unrestricted expenditure for the reserve target is £54,000 the actual unrestricted reserve funds were £746,461. The Trustees believe that in the coming financial year 2020-2021 the amount of aid work done will be more than the donations amount received which justifies the reserve held. As such, the Charity considers its current reserve fund sufficiently placed to cover its reserve policy.

The reserves maintained by the charity have significantly made an impact in the aid work carried out during the COVID-19 pandemic. The charity was able to aid more than 10,000 beneficiaries with food baskets and medical aid through grant awards to existing partners.

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **Risk Management**

Effective risk management is essential to ensure that Trustees can take appropriate and timely action where risks are identified and are better placed to achieve the Charity's mission. To this effect the charity's regularly reviewed and updated policy ensures a proactive stance towards risk management, where Trustees are able to take a planned course of action upon identification of risks, either to:

- Minimise the impact of risk for example with contingency planning;
- Accept the risk;
- Transfer the risk (insurance);
- Reduce the risk (if complete avoidance is impossible or disproportionately expensive in time or money); or
- Monitor the risk.

The charity utilises a regularly reviewed and updated central risk assessment of the charity which categorises risk to: operational; financial; governance and management; compliance and environmental/external factors. The charity also uses risk assessments for specialist risk categories as part of some of its policies, such as its anti-money laundering and counter terrorist financing policy. Within each category risk is identified and assessed in relation to its likelihood and impact, alongside the steps required to mitigate each risk, in addition to any further actions needed.

### **Principle risks facing the Charity**

Following careful deliberation and consultation, the board of Trustees have considered several principle risks and uncertainties facing the charity. These are as follows:

- Partnerships with and or Grant making to NGOs in High risk jurisdiction countries
- Reliance upon a limited number of donors
- Banking activities that relate to the expending of funds
- New Partnerships with Charities

These risks are proactively identified and appropriate actions are implemented in line with the above-mentioned policy, which includes the identification, assessment (likelihood of impact and severity), and required actions needed for each principle risk. Furthermore, the charity implemented assigning a risk controller. These types of risks are subject to further monitoring and actions which are mentioned within the risk assessment by the board of Trustees. Principle risks are regularly updated in line with the risk management policy of the charity and are subject to variations depending upon the board of Trustees considerations.

### **Policy for the remuneration of key management personal**

Trustees of The Mainstay Foundation are not paid. Should they meet the criteria of the Charity Commission's guidance for 'Payments to Charity Trustees', Trustees can seek reimbursement for out of pocket expenses in consideration of the reasonability of the request. Similarly, they may also be paid for extra ordinary work for the Charity, if it is agreed upon by the board of Trustees and if there are no alternative staff members who can supply the work in question.

Further, the Mainstay Foundation does not pay its Executive Trustee, given they are considered a Trustee and as such policy regarding their remuneration extends to that of a Trustee.

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Plans for future periods**

The board of Trustees of The Mainstay Foundation have decided that the short term (one year long) strategic activities of the charity is to include:

- Improved financial and logistical support to charities based within the UK whose charitable objectives are shared by the charitable objectives of The Mainstay Foundation's.
- Expanding the type of activities/projects we support through grant making to new and existing grant recipients.
- Designing new activities/projects and allocating more funds for these for the purposes of awarding grants to beneficiaries who seek to implement such activities/projects in question

The rise of the COVID-19 pandemic has caused the charity to take new and innovative approaches in its projects. Remote working capabilities were already established at the charity before the pandemic and thus, the day-to-day working was not affected significantly. Going forward, the charity will continue to find digital solutions to existing projects as executed with our Ramadhan grants changing to a Ramadhan live streaming programme which 15 centres benefited from. For our overseas work particularly within the objective of the advancement of Education, we will support digital methods of learning for the students that are in need of it

The charities focus will continue to be how it can maximise its performances from its activities in pursuit of its charitable objectives, and the benefits this will bring to people's lives, and to the collective wider society in which they live.

**Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- So far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- They have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 03/09/2020 and signed on behalf of the board of trustees by:



**Mr M Marashi**  
Chair

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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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 judgments 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.

Approved by order of the members of the board of Trustees and signed on its behalf by:



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**Mr M Marashi**

Date: 03/09/2020

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MAINSTAY FOUNDATION**

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**Opinion**

We have audited the financial statements of The Mainstay Foundation (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2019 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 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 financial statements are authorised for issue.

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MAINSTAY FOUNDATION**  
**(CONTINUED)**

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**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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, 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.

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.

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MAINSTAY FOUNDATION  
(CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*MHA MacIntyre Hudson*

**MHA MacIntyre Hudson**  
Chartered Accountant & Statutory Auditor  
6th Floor  
2 London Wall Place  
London  
EC2Y 5AU

Date: *16 October 2020*

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>					
Donations	2	2,353,066	22,526	2,375,592	2,704,139
Charitable activities	3	7,385	-	7,385	-
<b>Total income</b>		<b>2,360,451</b>	<b>22,526</b>	<b>2,382,977</b>	<b>2,704,139</b>
<b>Expenditure on:</b>					
Charitable activities	4	2,187,754	3,000	2,190,754	2,435,639
<b>Total expenditure</b>		<b>2,187,754</b>	<b>3,000</b>	<b>2,190,754</b>	<b>2,435,639</b>
<b>Net movement in funds</b>		<b>172,697</b>	<b>19,526</b>	<b>192,223</b>	<b>268,500</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		573,764	(335)	573,429	304,929
Net movement in funds		172,697	19,526	192,223	268,500
<b>Total funds carried forward</b>		<b>746,461</b>	<b>19,191</b>	<b>765,652</b>	<b>573,429</b>

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

All income and expenditure derive from continuing activities.

The notes on pages 25 to 39 form part of these financial statements.

**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**  
**REGISTERED NUMBER: CE006901**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	11		1,599		1,671
			1,599		1,671
<b>Current assets</b>					
Debtors	12	3,535		3	
Cash at bank and in hand		772,678		580,755	
		776,213		580,758	
Creditors: amounts falling due within one year	13	(12,160)		(9,000)	
<b>Net current assets</b>			764,053		571,758
<b>Total net assets</b>			765,652		573,429
<b>Charity funds</b>					
Restricted funds	14		19,191		(335)
Unrestricted funds	14		746,461		573,764
<b>Total funds</b>			765,652		573,429

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act 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 on 03/09/20 and signed on their behalf by:

  
 Mr M Marashi (Chair)

The notes on pages 25 to 39 form part of these financial statements.

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	16	<b>192,523</b>	308,990
		_____	_____
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	11	(600)	(644)
		_____	_____
<b>Net cash used in investing activities</b>		<b>(600)</b>	(644)
		_____	_____
<b>Change in cash and cash equivalents in the year</b>		<b>191,923</b>	308,346
Cash and cash equivalents at the beginning of the year		<b>580,755</b>	272,409
<b>Cash and cash equivalents at the end of the year</b>	17	<b>772,678</b>	580,755
		_____	_____

The notes on pages 25 to 39 form part of these financial statements

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. Accounting policies**

**1.1 General information**

The Charity is a public benefit entity and a Charitable Incorporated Organisation limited by guarantee, registered in England and Wales and a registered charity in England and Wales.

The address of the registered office is Office 11, Abji Bapashree House, 211 Kingsbury Road, London, NW9 8AQ.

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 detailed in the Trustees Report.

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.

**1.2 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 Mainstay 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.

**1.3 Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. Accounting policies (continued)**

**1.4 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.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**1.5 Expenditure**

All expenditure is accounted for on an accruals basis. 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 is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

**1.6 Foreign currencies**

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

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

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

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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 should be included in the measurement of cost.

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:

Office equipment	-	25% Straight line
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**1.8 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.

**1.9 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.

**1.10 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.

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**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. Accounting policies (continued)**

**1.11 Financial instruments**

The Charity does not have a material holding in complex 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 12. 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 13. 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.

**1.12 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.

**1.13 Critical accounting estimates and areas of judgment**

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

- Depreciation rates for tangible assets
- Support cost allocation

**THE MAINSTAY FOUNDATION**  
**(A Charitable Incorporated Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. Income from donations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations	2,353,066	22,526	<b>2,375,592</b>

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Donations	2,662,760	41,379	<b>2,704,139</b>

**3. Income from charitable activities**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Advancement of religion	7,385	<b>7,385</b>	-

**4. Analysis of expenditure on charitable activities**

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Advancement of education	-	605,897	31,394	<b>637,291</b>
Advancement of religion	122,136	448,163	29,230	<b>599,529</b>
Community development	-	906,308	47,626	<b>953,934</b>
<b>Total 2019</b>	<b>122,136</b>	<b>1,960,368</b>	<b>108,250</b>	<b>2,190,754</b>

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**4. Analysis of expenditure on charitable activities (continued)**

	Activities undertaken directly 2018 £	Grant funding of activities 2018 £	Support costs 2018 £	Total funds 2018 £
Advancement of education	-	691,919	21,138	713,057
Advancement of religion	85,206	623,807	21,587	730,600
Community development	3,698	958,868	29,416	991,982
<b>Total 2018</b>	<b>88,904</b>	<b>2,274,594</b>	<b>72,141</b>	<b>2,435,639</b>

In 2018, of the total expenditure on charitable activities, £2,393,925 was from Unrestricted funds and £41,714 was from Restricted funds.

**Analysis of support costs**

		Total funds 2019 £	Total funds 2018 £
Staff costs	<b>57,869</b>	25,532	
Depreciation	<b>672</b>	489	
Rent	<b>16,200</b>	16,050	
Legal and other professional fees	<b>5,701</b>	2,168	
Insurance	<b>1,192</b>	-	
Telephone	<b>100</b>	110	
Other office costs	<b>3,327</b>	916	
Bank charges	<b>1,185</b>	1,383	
IT and Digital	<b>-</b>	731	
Advertising and Marketing	<b>396</b>	5,515	
Travel costs	<b>8,542</b>	11,154	
Foreign exchange loss/(gain)	<b>3,935</b>	(907)	
Governance costs	<b>8,040</b>	9,000	
Human Resources	<b>1,091</b>	-	
<b>Total 2019</b>	<b>108,250</b>	<b>72,141</b>	

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**5. Analysis of grants - by activity**

	<b>Grants to Institutions 2019 £</b>	<b>Grants to Individuals 2019 £</b>	<b>Total funds 2019 £</b>
Advancement of education	605,897	-	<b>605,897</b>
Advancement of religion	448,163	-	<b>448,163</b>
Community development	906,308	-	<b>906,308</b>
<b>Total 2019</b>	<b>1,960,368</b>	<b>-</b>	<b>1,960,368</b>

	<b>Grants to Institutions 2018 £</b>	<b>Grants to Individuals 2018 £</b>	<b>Total funds 2018 £</b>
Advancement of education	690,919	1,000	691,919
Advancement of religion	623,807	-	623,807
Community development	958,868	-	958,868
<b>Total 2018</b>	<b>2,273,594</b>	<b>1,000</b>	<b>2,274,594</b>

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**6. Analysis of grants - by recipient**

	2019	2018
	£	£
The Federation of Khoja Shia Ithna Asheri Jamaats of Africa	139,999	366,833
Al-Alamayn Institute for Higher Education	30,871	95,226
The Mainstay Foundation (US)	91,065	103,068
Alimaan Charitable Trust	384,000	706,000
Dar Al-Zahra School	182,759	143,794
Husaini Education	50,000	150,000
The Federation of Khoja Shia Ithna Asheri Jamaats of India	68,450	75,000
The Khoja Shia Ishna Ashari Medical Aid & Welfare Society	120,000	50,000
Lady Fatima Well	-	41,714
Ramadhan	14,000	20,054
Ramadhan Relief (see Note 6 for analysis)	431,791	331,600
Tauheedul Muslimeen Trust	170,000	120,000
General One off and Camps	37,233	20,500
Media Grants	-	24,505
Muharram-Safar	39,185	26,300
Imaan Foundation	110,000	-
Najaf Retreat	25,015	-
Al-Ayn Social Care Foundation	6,000	-
The Exeter Ahlul-Bayt Community	10,000	-
The World Federation of KSIMC	50,000	-
<b>Total</b>	<b>1,960,368</b>	<b>2,274,594</b>

**7. Ramadhan Relief**

	2019	2018
	£	£
Alimaan Charitable Trust	150,000	150,000
Tauheedul Muslimeen Trust	20,000	8,000
The Federation of Khoja Shia Ithna Asheri Jamaats of Africa	-	100,000
Anwar Al-Najafia	211,791	73,600
The Federation of Khoja Shia Ithna Asheri Jamaats of India	50,000	-
<b>Total</b>	<b>431,791</b>	<b>331,600</b>

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**8. Governance costs**

	2019 £	2018 £
Accounting fees	1,800	1,800
Audit fees	6,240	7,200
	<hr/> <hr/> <hr/> <b>8,040</b>	<hr/> <hr/> <hr/> <b>9,000</b>

**9. Staff costs**

	2019 £	2018 £
Wages and salaries	56,929	25,532
Social security costs	940	-
	<hr/> <hr/> <hr/> <b>57,869</b>	<hr/> <hr/> <hr/> <b>25,532</b>

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

	2019 No.	2018 No.
Number of staff	<hr/> <hr/> <hr/> <b>3</b>	<hr/> <hr/> <hr/> <b>1</b>

No employee received remuneration amounting to more than £60,000 in either year.

**10. Trustees' remuneration and expenses**

During the year, no Trustees, who comprise all the Key Management Personnel of the Charity, received any remuneration or other benefits (2018 - £NIL).

During the year there were expenses reimbursed or paid directly to 2 Trustees totalling £2,245 (2018 - £NIL). Of this total, £867 was a flight ticket to Canada for a Partners meeting, £1,377 was reimbursed for a hotel bill for attending a Trustees meeting.

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**11. Tangible fixed assets**

	Office equipment £
<b>Cost or valuation</b>	
At 1 January 2019	2,440
Additions	600
At 31 December 2019	<u>3,040</u>
<b>Depreciation</b>	
At 1 January 2019	769
Charge for the year	672
At 31 December 2019	<u>1,441</u>
<b>Net book value</b>	
At 31 December 2019	<u>1,599</u>
At 31 December 2018	<u>1,671</u>

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**12. Debtors**

	<b>2019</b> £	<b>2018</b> £
<b>Due within one year</b>		
Other debtors	698	3
Prepayments and accrued income	2,837	-
	<hr/> 3,535	<hr/> 3
	<hr/> <hr/>	<hr/> <hr/>

**13. Creditors: Amounts falling due within one year**

	<b>2019</b> £	<b>2018</b> £
Accruals	12,160	9,000
	<hr/> <hr/>	<hr/> <hr/>

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**14. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 January 2019</b> £	<b>Income</b> £	<b>Expenditure</b> £	<b>Balance at 31 December 2019</b> £
<b>Unrestricted funds</b>				
General Funds	573,764	2,360,451	(2,187,754)	746,461
<b>Restricted funds</b>				
Lady Fatima Well	(335)	19,526	-	19,191
World Federation	-	3,000	(3,000)	-
	(335)	22,526	(3,000)	19,191
<b>Total of funds</b>	<b>573,429</b>	<b>2,382,977</b>	<b>(2,190,754)</b>	<b>765,652</b>

The Lady Fatima Water well fund was restricted for building water wells in remote areas in Africa. The donations raised were restricted for the building of water wells. In 2019, no funds were expended as the project was on hold due to Covid-19. It is anticipated that the project will be completed in the year ending 31 December 2020.

The World Federation fund is a restricted grant that has been received for a joint project on Iraq Ziyarat Documentaries. The income received was restricted to be spent on editing, directing, and other costs relating to the production of the documentaries and the income received was expended in the year.

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**14. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>				
General funds	304,929	2,662,760	(2,393,925)	573,764
<b>Restricted funds</b>				
Lady Fatima Well	-	41,379	(41,714)	(335)
<b>Total of funds</b>	<b>304,929</b>	<b>2,704,139</b>	<b>(2,435,639)</b>	<b>573,429</b>

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,599	-	1,599
Current assets	757,022	19,191	776,213
Creditors due within one year	(12,160)	-	(12,160)
<b>Total</b>	<b>746,461</b>	<b>19,191</b>	<b>765,652</b>

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**15. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,671	-	1,671
Current assets	581,093	(335)	580,758
Creditors due within one year	(9,000)	-	(9,000)
<b>Total</b>	<b>573,764</b>	<b>(335)</b>	<b>573,429</b>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	192,223	268,500
<b>Adjustments for:</b>		
Depreciation charges	672	490
Decrease/(increase) in debtors	(3,532)	39,997
Increase in creditors	3,160	3
<b>Net cash provided by operating activities</b>	<b>192,523</b>	<b>308,990</b>

**17. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	772,678	580,755
<b>Total cash and cash equivalents</b>	<b>772,678</b>	<b>580,755</b>

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**18. Analysis of Net Debt**

	<b>At 1 January 2019</b>	<b>Cash flows</b>	<b>At 31 December 2019</b>
	£	£	£
Cash at bank and in hand	580,755	191,923	772,678
	<hr/>	<hr/>	<hr/>
	580,755	191,923	772,678
	<hr/>	<hr/>	<hr/>

**19. Related party transactions**

During the year the charity benefited from donated services totalling £6,000 (2018 - £10,000). These services were provided by Mr Hassan Al-Hakeem a Trustee of the charity. The donation has been valued in accordance with the charity's accounting policies.

