Company Registered Number: CE007585
Charity Registration Number: 1167756

AL-HIKMEH FOUNDATION

(A Charitable Incorporated Organisation)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

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AL-HIKMEH FOUNDATION

(A Charitable Incorporated Organisation)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2025

Trustees	Dr Z Thamer, Chair Dr B Thamer Mr K Elkorishy Mr H Al-Khoee
Charity registered number	1167756
Principal office	Al-Hikmeh Foundation Office 5 211 Kingsbury Road London NW9 8AQ
CIO number	CE007585
Honorary Executive Director	Mr M Marashi
Accountants	MHA Audit Services LLP Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Barclays Bank PLC 75 King Street Hammersmith London W6 9HY
Solicitors	Broadfields One Bartholomew Close London EC1A 7BL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees present their report and the financial statements of the Charity for the year ended 31 December 2025.

Structure, governance and management

Governing document

The governing document of Al-Hikmeh Foundation is its Charitable Incorporated Constitution, approved on 21st June 2016 which encompasses the charitable objectives that Al-Hikmeh Foundation's activities must be in line with. Furthermore, it establishes rules and procedures for the running of the Charity.

How the Charity is constituted

Al-Hikmeh Foundation is a charitable incorporated organisation (CIO), registered with the Charity Commission for England and Wales on 21 June 2016 with the registered Charity number 1167756.

Organisation Structure

- The Board of Trustees make strategic decisions about the Charity as well as governance decisions. They are responsible for managing the annual budget and plan for the Charity.

- The Honorary Executive Director, who is chosen by the Board of Trustees, is in charge of the everyday management of the Charity. This includes the supervision of operational activities and the management of activities undertaken in line of the Charity's objectives outlined in this document. The Honorary Executive Director reports back to the Board in the form of regular meetings assessing progress within the Charity.

Recruitment and appointment of Trustees

- Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity 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.

Induction of Trustees

The Charity Trustees will make available to each new Charity Trustee, on or before his or her first appointment:

- A copy of the current version of the constitution.
- A copy of the CIO's latest Trustees' Annual Report and statement of accounts.
- A copy of the annual plan for the current year.
- The initial information provided to a new Trustee listed above delivers a necessary amount of understanding of the way the Charity is managed and help them to get involved with the processes of the Charity.

Trustees undergo on-going training through the means of workshops and events whenever necessary.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Objectives and activities

Purposes and Aims

Our objectives, as set out in the Charity's constitution, are as follows:

- The prevention or relief of poverty and financial hardship in Iraq by providing grants, items and services to orphans and other individuals in need and/or charities or other organisations working to prevent or relieve poverty and financial hardship.

- The prevention or relief of sickness among orphans and other individuals in need in Iraq by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness.

Activities for achieving objectives

Our partner, Orphan Charity Foundation was chosen after research of potential partners in the region who had the reach and capability to carry out the foundation's objectives. We manage our relationship with our partner through ongoing reporting, site visits and executive communication with partner's management.

Through our fundraising efforts, the Charity is able to provide grant funding to our partner organisation to carry out charitable work towards the relief of poverty and sickness, which includes the following programmes:

- Education Programme: this programme focusses on the development of orphans and other children in need by supporting their schooling. Incentives are in place so that students excelling in studies are recognised and rewarded with gifts and awards. This programme empowers orphans by providing them with a broad skill set that they can use to help contribute to society and be self-sufficient in the future

- Entertainment Programme: includes regular fun activities for the children, such as trips to the theme park, swimming lessons, and sport activities etc.

- Salary Programme: provides monthly financial support to the guardian of orphans to provide them with essential financial support and relief

- Clothes Programme: distribution of essential clothing to orphans and other impoverished peoples throughout the year that is otherwise unaffordable for them

- Food Programme: nutritious and staple foods are distributed year-round in the form of food baskets to beneficiaries who otherwise would find it very difficult to purchase these foods

- Home Appliances Programme: the distribution of essential appliances to its beneficiaries such as washing machines, air conditioners, fridges, and hobs

- Home construction and renovation programme: provides a safe and stable home for orphans and their families as well as other individuals in need who do not have safe or adequate housing

- Healthcare Programme: providing essential healthcare and treatments to orphans and other vulnerable individuals at hospitals, clinics, and pharmacies. Beneficiaries are provided with a range of services ranging from essential lifesaving interventions to regular health check-ups, which they would otherwise be unable to access due to expensive private sector and inadequate public sector providers

- Other Programmes: Sometimes required programmes that meet the charity's objectives are implemented but fall outside of the eight programme definitions, and therefore they would be categorised separately and other times the funds are used out of urgency.

Grant Making Policy

Grant funding is the main activity carried out in achieving Al-Hikmeh Foundation's charitable aims and objectives. Funding is sent to its partner organisation whose aims are aligned with that of Al-Hikmeh Foundation's.

The Charity has adopted a grant making policy that guides the process of making grants to its partner.

- The aims of the partner organisation are assessed and approved by the Board of Trustees and a partnership is then established.

- A Partner organisation that receives funding from Al-Hikmeh Foundation is expected to produce reports accounting for where the funds have been spent and identifying how many beneficiaries the funds have reached.

- A Partner organisation receives regular visits by a representative from Al-Hikmeh Foundation to observe first hand the work being done. Visitations also provide assurance and transparency to donors that funds are utilised towards public benefit.

Contribution Made by Volunteers

The Honorary Executive Directors' involvement is performed on a voluntary basis and is not paid any amount of salary from the Charity. Furthermore, website maintenance, graphics and designs are done by volunteers who are not paid any amount of salary from the Charity. It is difficult to obtain a reliable figure for the amounts of donated services by volunteers.

Contribution Made by Staff

The Foundation did not have any full or part-time employees during 2025.

Fundraising

The Charity's fundraising is primarily from private donors. Donations from private donors are generally unsolicited and are received because they are interested in supporting the Charity's activities.

The Charity carries out all fundraising through its internal teams and does not employ external or commercial firms, either professional fundraisers or commercial participators. The Charity is not subject to any undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising in respect of its activities. No complaints have been received in respect of the Charity's fundraising activities during the financial year.

Public Benefit

The charitable objects and activities which Al-Hikmeh Foundation undertakes for the public benefit and achievement in delivering these are set out in the relevant sections in this Trustees' Report. The Board of Trustees of Al-Hikmeh Foundation ensure that the activities undertaken by Al-Hikmeh Foundation are relevant and beneficial to the needs of our beneficiaries in the following manner:

- Al-Hikmeh Foundation's work is focused on, (however not restricted to), a group who are seen as potentially the most influential on society. The orphans of today could be the next leaders in society and our support of our partner organisation is instrumental in facilitating their growth which will in turn benefit their society in its present and future forms.

- Basic necessities such as food, clothing, healthcare and shelter are provided through our partner organisation. This provides the minimum level of living that everyone should have a right to.

- The focus on education within Al-Hikmeh Foundation's work provides beneficiaries with the tools to make them self-sufficient, thus creating prosperity in society and removing dependency on others.

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.

Achievements and Performance

Over the 2025 period, our charitable activities were implemented in multiple regions across Iraq by our partner, Orphan Charity Foundation, in the form of several programmes outlined in the 'activities for achieving objectives' heading. The breakdown of the spending for each programme this year was:

- Education Programme: $5,669 allocated to this programme in 2025 which benefitted 22 orphans (2024: 710). The main age group of student supported ranged between 7-13 years old, with the majority of funding going towards scholarship sponsorship.

- Entertainment Programme: In 2025, $2,333 was spent on the entertainment programme, covering the expenditure on 59 orphans (2024: 260 beneficiaries). Majority of trips consisted of fun and leisure activities as well as distributing gifts to orphans.

- Salary Programme: The largest programme continues to be the salary distribution, which allocated $25,747.43 in 2025, covering the monthly financial support of 250 beneficiaries (2024: 9,225 beneficiaries).

- Clothes Programme: In 2025, the clothes programme was allocated $11,996 to provide essential clothing to 200 beneficiaries (2024: 3,989 people). Beneficiaries age group ranged from 7-15 years, with 55% of recipients being females.

- Food Programme: The second largest programme by the partner in 2025 was the food distribution initiative where $13,069 was spent to provide food baskets to 456 beneficiaries (2024: 5,968 people). The basket included meats, fruit, and flour and other food essentials.

- Home Appliances Programme: In 2025, $8,695 was spent on home appliances to 55 beneficiaries (2024 1,233). Appliances included heaters, fridges, cooker and fans.

- Home construction and renovation programme: $6,264 was spent in 2025 towards the building and renovation of 2 homes (2024 4 projects competed).

- Health Programme: In 2025, $2,690 was spent on 10 beneficiaries towards essential medical expenses (2024: 88 beneficiaries). These expenses included purchasing of medication and medical devices as well as medical examinations and consultations.

Measuring Achievements

All activities carried out by Al-Hikmeh Foundation during this reporting period are subject to performance reviews which are received and reviewed by the Trustees. These include the reviews of our partner to determine the overall impact, achievements and performances of our activities in addition to site monitoring visits and sample inspection of project implementation and sample examination of financial records.

The impact Al-Hikmeh Foundation has had on the lives of those afflicted in Iraq has been incredibly positive with the number of families that have benefited from the various programmes funded by Al-Hikmeh Foundation. Beneficiaries have expressed their gratefulness to the Charity in turning around their lives from having no hope, to being provided a stepping stone to achieving more than they ever could have thought with their lives. Here are some case studies about the beneficiaries of the partner organisation

R.K. – A Safe Place to Grow
R.K. was living in an overcrowded home where frequent flooding damaged the family's belongings and made it difficult for the children to sleep, study, and stay healthy. During the rainy season, the family often had to move between relatives' homes, disrupting the children's education and daily routines.

After being identified by our partner organisation, R.K.'s family received support to repair their home, replace damaged bedding, and create a safer living environment.

Today, the children have a secure place to sleep and study, while the family is better protected from the effects of heavy rain. The improvements have restored a sense of stability and dignity to their daily lives.

For R.K.'s family, a safe home has provided more than physical protection—it has created the foundation they need to plan for a more secure future.

L.E. – Returning to School with Hope
L.E., a 10-year-old girl, became an orphan after losing both of her parents. Without a stable family income, she was at risk of leaving school and spending her days working to meet her basic needs.

After being identified by our partner organisation, L.E. began receiving monthly support and moved to her uncle's home. She now has access to regular meals, school supplies, clothing, and the encouragement she needs to continue her education.

Today, L.E. attends school regularly and is able to learn alongside her classmates. She is also receiving the care and guidance needed to process her loss and build confidence.

The support has helped restore her sense of stability and given her the opportunity to grow, learn, and imagine a brighter future.

N.H. - Supporting a Family Through Adversity
N.H., a widowed mother of two, was facing the combined challenges of supporting her children and managing a chronic illness. Her condition frequently prevented her from working, leaving the family dependent on borrowed money and support from neighbours. They often struggled to afford enough food and suitable clothing.

After being registered with our partner organisation, N.H and her children began receiving food assistance and clothing support. These essentials helped the family meet their immediate needs while N.H. focused on managing her health and recovery.

With regular access to food and appropriate clothing, the family now has greater security during a difficult period. N.H. is better able to focus on her wellbeing and care for her children, looking towards the future with renewed hope.

It is evident that because of the opportunities given to the orphans, they grow up having better health, education, and quality of life, and therefore are empowered to make a meaningful contribution to society and move towards independence. Across 2025, through AHF's grants totalling $99,813 (2024 - $1,636,200), we were able to reach around 1,241 people (2024 – 25,013 people) who benefitted through various programs that our partner runs.

Financial review

For the year ended 31 December 2025, the Foundation received an income £228,784 (2024 - £1,609,541). Expenditure totalled £130,501 (2024 - £1,311,405). Total unrestricted funds carried forward for the Foundation as 31 December 2024 were £663,406 (2024 - £565,123).

Reserves Policy

Subsequent to consultation, the Board of Trustees concluded that it is to increase its policy on reserves to £650,000 should a reduction in income occur. The Trustees consider that this amount of reserve is adequate funds to ensure governance and other operating costs are covered. Potential risks facing the Charity have been considered through the means of risk assessment in defining this policy. It is the Trustees' view that the level of reserves maintained by the Charity is deemed sufficient. At the year end the Charity held unrestricted fund of £663,406 of which free reserves were £663,406 after excluding the net book value of tangible fixed assets. This level was in line with Charity's policy.

Going Concern

The Board of Trustees have regarded the financial position of the Foundation to be healthy, sustainable and ready to move forward to the next financial year. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The charity does not have on-going commitments of any significance and hence is not reliant on future funding to sustain its going concern position.

Risk Management

An effective risk management is essential to ensure that the Trustees can take appropriate and timely action where risks are identified and are better placed to achieve the Charity's mission statement. The Charity manages the risks through a risk assessment which is regularly reviewed, updated and monitored. This proactive approach allows Trustees to take the necessary course of action once risks have been identified, 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 Trustees should be clear about the risks in the context of Al-Hikmeh Foundation's charitable mission and in identifying risks, which may impede its ability to deliver its strategic objectives. This policy is, therefore, reviewed and aligned with any strategic plans for the Charity as developed over time to ensure that relevant risks are identified and dealt with accordingly.

Principal risks facing the Charity

The Board of Trustees, having discussed and analysed, have identified the following principal risks:

- Dependency on partner organisation
- Limited donor base
- High-risk operating area of partner organisation

These risks are constantly investigated, and suitable actions are carried out adhering to the policy outline above. The risks are regularly re-visited, monitored and updated as decided by the Board of Trustees.

Plans for the future

The Board of Trustees of Al-Hikmeh Foundation have agreed on a one-year plan of activities of the Charity which include:

- Continue to look at possible ways to diversify income streams, within the foundation's operational framework, to reduce the risk the Charity faces.
- Increasing awareness of charity through social media presence
- Exploring other areas of operation and potentially expanding to different regions. To achieve this, we will further our liaison with potential delivery organisations in different regions to find suitable projects and partners to support, in line with the charity's objectives.
-

The Charity will continue to focus on how to improve and maximise the effects on the lives of the beneficiaries and society in general through its charitable objectives.

Policy for the remuneration of Key Management Personnel

The Charity considers the Key Management Personnel of the Charity to be the Trustees.

- Al-Hikmeh Foundation Trustees are not paid in their capacity as a Trustee.

- Provided that they meet the criteria of the Charity Commission guidance for 'Payments to Charity Trustees', they can be reimbursed if sought by Trustees for out of pocket expenses, in consideration of its reasonability. 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.

This report was approved and authorised for issue by the Trustees on 26 October 2026 and signed on its behalf by:

.....
Dr Z Thamer
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

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

The law applicable to charities in England & 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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:

.....

Dr Z Thamer
Chair of Trustees
Date: 26 October 2026

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Independent Examiner's Report to the Trustees of Al-Hikmeh Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2025.

Responsibilities and Basis of Report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published in October 2019 in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

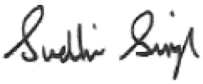
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:  Dated: 29 October 2026

Sudhir Singh FCA

MHA Audit Services LLP
6th Floor
2 London Wall Place
London, United Kingdom
EC2Y 5AU

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Donations	3	**228,784**	**228,784**	1,609,541
Total income		**228,784**	**228,784**	1,609,541
Expenditure on:				
Charitable activities	4	**130,501**	**130,501**	1,311,405
Total expenditure		**130,501**	**130,501**	1,311,405
Net movement in funds		**98,283**	**98,283**	298,136
Reconciliation of funds:				
Total funds brought forward		**565,123**	**565,123**	266,987
Net movement in funds		**98,283**	**98,283**	298,136
Total funds carried forward		**663,406**	**663,406**	565,123

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 15 to 24 form part of these financial statements.

AL-HIKMEH FOUNDATION
(A Charitable Incorporated Organisation)

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	8		**-**		-
			-		-
Current assets					
Debtors: Amounts falling due within one year	9	**300**		300	
Cash at bank and in hand	12	**669,106**		579,283	
		669,406		579,583	
Creditors: Amounts falling due within one year	10	**(6,000)**		(14,460)	
Net current assets			**663,406**		565,123
Total net assets			**663,406**		565,123
Charity funds					
Unrestricted funds			**663,406**		565,123
Total funds			**663,406**		565,123

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

The Members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 and signed on their behalf by:

.....
Dr Z Thamer
Chair
Date: 26 October 2026

The notes on pages 15 to 24 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	11	**135,182**	290,393
Change in cash and cash equivalents in the year		**135,182**	**290,393**
Cash and cash equivalents at the beginning of the year		**579,283**	280,497
Change in cash and cash equivalents due to exchange rate movements		**(45,359)**	8,393
Cash and cash equivalents at the end of the year	12	**669,106**	579,283

The notes on pages 15 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

The Charity is a Charitable Incorporated Organisation ("CIO"), registered in England and Wales, and a registered Charity (Charity Registered Number 1167756) in England and Wales.

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Al-Hikmeh Foundation meets the definition of a public benefit entity under FRS102. 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 amounts are rounded to the nearest pound.

2.2 Going concern

There are no material uncertainties about the Charity's ability to continue. The Trustees have considered the level of funds held and the expected income and expenditure for at least 12 months from authorising the 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.

2.3 Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.4 Income

Donations are 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.

2.5 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.

2. Accounting policies (continued)

2.6 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:

Plant and machinery	-	25%	Straight line

2.7 Debtors

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

2.8 Cash at bank and in hand

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

2.9 Liabilities and provisions

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

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

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

2. Accounting policies (continued)

2.10 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 9. 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 10. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

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

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

2.12 Accounting estimates, estimation uncertainty and judgements

The Trustees consider there to be no key estimates or judgements applied in the production of these financial statements.

3. Income from donations

	Unrestricted funds 2025 £	Total funds 2025 £
Donations	228,784	**228,784**

	Unrestricted funds 2024 £	Total funds 2024 £
Donations	1,609,541	1,609,541

4. Analysis of expenditure on charitable activities

	Grant funding of activities 2025 £	**Support costs 2025 £**	**Total funds 2025 £**
Relief of Poverty	74,089	56,412	**130,501**

	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £
Relief of Poverty	1,298,809	12,596	1,311,405

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Bank charges	**230**	994
Insurance	**657**	757
Governance costs	**6,000**	14,510
Account/subscription fees	**519**	467
Telephone	**-**	43
Rent	**3,600**	3,900
Foreign exchange loss/(gain)	**45,359**	(8,393)
Registration costs	**47**	318
Total 2025	**56,412**	12,596

5. Grants to institutions

	2025	2024
	£	£
Orphan Charity Foundation	**74,089**	1,298,809
	74,089	1,298,809

The Orphan Charity Foundation is registered in Iraq with General Secretariat to the Council of Ministers, NGO Directorate with registration number 1K73462 as a non-governmental organisation.

6. Governance costs

	2025	2024
	£	£
Auditor's remuneration - Other services	**-**	3,180
Auditor's remuneration - Audit of the financial statements	**-**	11,280
Auditor's remuneration - Under accrual of prior year fees	**-**	50
Independent examiners' remuneration - Current period	**6,000**	-
Total	**6,000**	14,510

7. 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 (2024 - £NIL).

During the year ended 31 December 2025, no Trustee expenses have been incurred (2024 - £NIL).

8. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2025	**819**
At 31 December 2025	**819**
Depreciation	
At 1 January 2025	**819**
At 31 December 2025	**819**
Net book value	
At 31 December 2025	**-**
At 31 December 2024	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

9. Debtors

	2025 £	2024 £
Due within one year		
Other debtors	**300**	300
	300	300

10. Creditors: Amounts falling due within one year

	2025 £	2024 £
Accruals	**6,000**	14,460

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

		2025 £	2024 £
Net income for the year (as per Statement of Financial Activities)		**98,283**	298,136
Adjustments for:			
(Decrease)/increase in creditors	10	**(8,460)**	650
Foreign exchange rate loss/(gain)	4	**45,359**	(8,393)
Net cash provided by operating activities		**135,182**	290,393

12. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	**669,106**	579,283
Total cash and cash equivalents	**669,106**	579,283

13. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2025 £
Cash at bank and in hand	**579,283**	**89,823**	**669,106**
	579,283	**89,823**	**669,106**

14. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 December 2025.