

Company registration number: 03066579
Charity registration number: 1047432

THE AMAR INTERNATIONAL CHARITABLE FOUNDATION

(a company limited by guarantee)

Annual Report and Financial Statements

for the year ended
31 December 2018

Field Sullivan Limited
70 Royal Hill
Greenwich
SE10 8RF

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COMPANIES HOUSE

The AMAR International Charitable Foundation

Reference and administrative details

Company registration number: 03066579

Charity registration number: 1047432

Registered office: Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

Principal office: 80 Petty France
London
SW1H 9EX

Trustees: Baroness Nicholson of Winterbourne (Chairman)
Dr Theodore Zeldin
Damon Parker
Hayder Hassan
Chris Frost (resigned 27 February 2018)
Mohammed Charchafchi
Dr Edmund Newell
Dr Alistair Redfern
David Kerr
Sharlene Hawkes
Francesco Boardman (appointed 16 March 2018)
Siddik Bakir
Stanley Parrish (appointed 18 March 2019)

Auditors: Field Sullivan Limited
Statutory Auditor
Chartered Accountants
70 Royal Hill
London
SE10 8RF

Accountant: Rickard Luckin Ltd
Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

Bankers: C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

National Westminster Bank PLC
Bridge Street
Hatherleigh
Okehampon
Devon
EX30 3HZ

The AMAR International Charitable Foundation

Reference and administrative details

Bankers (Cont'd):	Clydesdale Bank PLC 91 Gresham Street London EC2V 7BL
Solicitor:	Harcus Sinclair 3 Lincoln's Inn Fields London WC2A 3AA
Hon. High Representative (Lebanon):	Mr Jazzini (appointed February 2019)
Secretary:	Damon Parker

The AMAR International Charitable Foundation

Trustees' Report
for the year ended
31 December 2018

STATEMENT

The Trustees present the twenty-first report and financial statements of the company for the year ended 31st December 2018 which complies with current statutory requirements, the requirements of the charity's governing instrument and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102). Reference and administrative details are set out on Page 1 and form part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company was incorporated under the Companies Act 1985 on 9th June 1995 in England and Wales and is governed by its memorandum and articles of association. The company is a company limited by guarantee and not having a share capital, (company registration number 3066579), and is a registered charity (charity registration number 1047432). Each member's guarantee liability is limited to £1.

The management of the charitable company is conducted at meetings held by the Trustees at regular intervals as described in its memorandum and articles of association. Trustees are recruited based upon The AMAR International Charitable Foundation's (AMAR's) fields of work and appointed by vote. All Trustees give their time voluntarily and receive no benefits from the charity.

The risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have or are in the process of being established to mitigate those risks. The major risks incurred are in respect of:

- staff operating in areas where there may be a threat to their personal security or general wellbeing; financial risks linked to the current social and economic situations;

During the financial year, AMAR became aware of a fraud perpetrated against it. The trustees and senior management have and are continuing to robustly investigate and take all relevant actions to mitigate the impact on AMAR and recover any funds as appropriate.

Due to the ongoing investigations, further details will not be disclosed at this time except to say that all relevant reports have been made to relevant UK authorities.

OBJECTIVES AND ACTIVITIES

AMAR's key objective is the provision of public health and education, including training, to populations under stress or who have been previously underserved. AMAR's purpose is to improve the quality of life and provide hope for those whom it serves and to enable a high quality of public service by the local and national authorities. AMAR's main focus of activities during the year remained in the Federal Republic of Iraq with small scale activity and support to Lebanon and Romania. AMAR also promotes religious freedom for all.

In planning activities for the year the trustees keep in mind the Charity Commission guidance on public benefit and whether they have complied with their duties under Section 4 of the Charities Act 2011.

ACHIEVEMENTS AND PERFORMANCE

In Iraq, AMAR's health care development work focused upon primary health care at the local level. This included training of primary health staff at all levels, the delivery of preventative and curative services and the provision of public health education for local community members. Education services were provided children and adults alongside vocational and skills training.

The AMAR International Charitable Foundation

Trustees' Report
for the year ended
31 December 2018

The crisis in Iraq which erupted so dramatically during the summer of 2014 led to an immediate and strong response from AMAR which has continued throughout 2018, in spite of the defeat of Da'esh in 2017. Sadly, Internally Displaced Persons who are beneficiaries of AMAR did understandably not feel safe to return to their homelands around Sinjar and Mosul, and so have remained in IDP camps, requiring AMAR's health and education support. During 2018, AMAR continued its health clinic specifically for IDP's through most of the year, focusing by the end on 2 camps.

In 2018, AMAR continued an emergency appeal and sought funding from a variety of sources to secure this work on a longer term basis. The partnership and funding support from LDS Charities has also been very important part of AMAR's response to the crisis in Iraq. Subject to funding constraints, AMAR will continue to provide funding to run these services throughout 2019 and, dependent on available finances, also plans to open further clinics and education centres as the situation develops in Northern Iraq and Kurdistan.

During 2017, Zain Telecommunications Iraq has remained AMAR's most important corporate donor. Their support enables all AMAR's projects to operate efficiently. AMAR's partnerships with Rumaila Operating Organisation has continued with numerous projects supporting health and education for the population around the oilfield. During 2018, AMAR continued its programme of rehabilitation and construction of health, education, recreation and water facilities for the benefit of the local population.

AMAR benefited from the continued professional and financial support of various institutional organisations throughout the year, and remains grateful to especially among the various UN agencies and International institutions who contributed partnership, expert guidance and support.

AMAR is pleased to note its partnership with LDS Charities to promote two conferences on Freedom of Religion or Belief, in Windsor and, exceptionally, Baghdad.

In Lebanon, AMAR continued with an important drugs awareness and education campaign.

All activities in Iraq and Lebanon were supported strongly by, and delivered in close partnership and cooperation with, national government and local health, education and other relevant authorities.

FINANCIAL REVIEW

AMAR seeks and receives funding from private, corporate and institutional donors as well as from UN agencies and other international institutions. Details of incoming resources and resources expended are given in the Statement of Financial Activities on Page 10.

The funding of all AMAR services remains a challenge particularly for the emergency relief work in the camps and for IDPs everywhere as little funding is available from the UN and other governments.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the charity will be able to meet its debts as they fall due. However, during the year the charity has made a deficit on unrestricted funds of £1,041,688 resulting in an overdrawn general fund at the year-end of £936,930.

This deficit has arisen primarily because of the costs of the investigation work and financial provisions made in respect of the fraudulent activity.

Restricted funds brought forward from year ended 2017 have been expended during the year ended December 2018 for their relevant purposes and total £1,314,526.

The AMAR International Charitable Foundation

Trustees' Report
for the year ended
31 December 2018

The trustees believe it is appropriate to prepare the financial statements on the going concern basis, as: steps have been taken to address the issues giving rise to the unrestricted funds deficit; there is donor support to utilise this funding to support AMAR's ongoing financial viability from a cash flow perspective; the implementation of a fiscal recovery policy has started.

RESERVES POLICY

The reserves are required to meet the working capital requirements of the charity. The trustees aim to hold general reserves equivalent to 2- 3 months' administrative costs. The trustees acknowledge the negative reserves - with the support of a major donor and the implementation of a fiscal recovery policy it is envisaged that the negative reserves will be cleared over a maximum of the next 5 years.

PLANS FOR FUTURE PERIODS

AMAR will remain heavily involved in providing essential charitable support in Iraq and will continue to identify additional ways to help those affected. In addition, AMAR will continue providing development projects around the country which focus upon long term capacity-building and institution-building in public health and education in Iraq.

Elsewhere in the Middle East, as well as Europe and Africa, AMAR will continue its existing presence and development of new charitable operations based around a 5-year strategic plan

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The AMAR International Charitable Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the Incoming resources and application of resources, including income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The AMAR International Charitable Foundation

Trustees' Report
for the year ended
31 December 2018

Trustees' responsibilities cont'd


In so far as the trustees are aware:

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

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006. Approved by the Board and signed on its behalf by:

Approved by the Board and signed on its behalf by:



Baroness Nicholson of Winterbourne (Chairman)
Trustee

Date: 24 March 2020

The AMAR International Charitable Foundation

Independent Auditor's Report to the Members of The AMAR International Charitable Foundation

Opinion

We have audited the financial statements of The AMAR International Charitable Foundation (the 'charity') for the year ended 31 December 2018, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

The AMAR International Charitable Foundation

Independent Auditor's Report to the Members of The AMAR International Charitable Foundation

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 3), the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

The AMAR International Charitable Foundation

Independent Auditor's Report to the Members of The AMAR International Charitable Foundation

- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Timothy Sullivan FCA (Senior Statutory Auditor)
for and on behalf of Field Sullivan Limited, Statutory Auditors

70 Royal Hill
Greenwich
SE10 8RF

24/3/20

The AMAR International Charitable Foundation

Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended
31 December 2018

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2018 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2017 £
Incoming resources							
Incoming resources from generated funds							
Voluntary income	3	3,581,899	56,037	3,637,936	8,525,997	558,226	9,084,223
Activities for generating funds	4	-	155,857	155,857	149,216	20,086	169,302
Investment income	5	-	-	-	-	2,299	2,299
Income resources from charitable activities	6	-	40,107	40,107	150	66,653	66,803
Total incoming resources		3,581,899	252,001	3,833,900	8,675,363	647,264	9,322,627
Expenditure on:							
Raising funds	7	-	178,863	178,863	-	163,189	163,189
Charitable activities	7	4,981,880	1,029,371	6,011,251	7,768,692	306,702	8,075,394
Total expenditure		4,981,880	1,208,234	6,190,114	7,768,692	469,891	8,238,583
Net movement in funds before transfers		(1,399,981)	(956,233)	(2,356,214)	906,671	177,373	1,084,044
Transfers							
Gross transfers between funds	21	85,455	(85,455)	-	137,516	(137,516)	-
Net movements in funds		(1,314,526)	(1,041,688)	(2,356,214)	1,044,187	39,857	1,084,044
Reconciliation of funds							
Total funds brought forward		3,059,358	104,758	3,164,116	2,015,171	64,901	2,080,072
Total funds carried forward		1,744,832	(936,930)	807,902	3,059,358	104,758	3,164,116

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

The AMAR International Charitable Foundation

Company registration number: 03066579

Balance sheet
as at
31 December 2018

	Note	2018	2017
		£	£
Fixed assets			
Tangible assets	10	34,975	115,378
Current assets			
Debtors	11	438,199	1,947,604
Cash at bank and in hand		526,602	1,921,802
Total current assets		964,801	3,869,406
Creditors: amounts falling due within one year	12	(143,726)	(820,668)
Net current assets/(liabilities)		821,075	3,048,738
Provisions	13	(48,148)	-
Net assets	20	807,902	3,164,116
The funds of the charity:			
Restricted funds		1,744,832	3,059,358
Unrestricted funds:			
Designated		-	-
General fund		(936,930)	104,758
Total unrestricted funds		(936,930)	104,758
Total charity funds	21	807,902	3,164,116

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS102) (effective 1 January 2015).

The financial statements on pages 10 to 27 were approved by the trustees, and authorised for issue on 24 March 2019 and signed on their behalf by:

Baroness Nicholson of Winterbourne (Chairman)
Trustee

The AMAR International Charitable Foundation
Company registration number: 03066579

Cash flow statement
for the year ended
31 December 2018

	Note	2018 £	2017 £
Net cash flow from operating activities	18	(1,395,200)	741,503
Returns on investment and servicing of finance		-	-
Purchase of tangible fixed assets		-	(11,987)
Increase/(decrease) in cash		<u>(1,395,200)</u>	<u>729,516</u>

The AMAR International Charitable Foundation

Notes to the accounts
for the year ended
31 December 2018

1 Charity status

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

The address of its principal office is:

80 Petty France
London

These financial statements were authorised for issue by the trustees on 24 March 2020.

The presentation currency is £ sterling.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The AMAR International Charitable 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity. The reasoning behind the ability to utilise the going concern basis is based on the following:

- steps have been taken to address the issues giving rise to the unrestricted funds deficit;
- there is donor support to utilise this funding to support AMAR's ongoing financial viability from a cash flow perspective;
- the implementation of a fiscal recovery policy has started.

Income and endowments

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 the income receivable can be measured reliably.

The AMAR International Charitable Foundation

Notes to the accounts
for the year ended
31 December 2018

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The AMAR International Charitable Foundation

Notes to the accounts
for the year ended
31 December 2018

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Leasehold and other interests in land and buildings	Over 46 months
Fixtures, fittings and equipment	25% Reducing balance

As part of the work that AMAR International Charitable Foundation carries out, the charity will from time to time acquire equipment as part of the cost of a project. Any amounts paid by the charity for equipment are written off in the year of purchase as part of the cost of the project. Whilst this treatment may not follow strict accounting standards it is considered reasonable taking account of the projects being carried out. When the charity ceases to be involved with the project, equipment may be handed over to another party looking after the project, moved to another project, sold with the proceeds returned to general funds, or returned to the donor.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

The AMAR International Charitable Foundation

Notes to the accounts
for the year ended
31 December 2018

Distribution to overseas programme and foreign exchange rates

The actual income received locally in Iraq, Lebanon and Yemen and costs expended in Iraq, Lebanon and Yemen, as audited by the local auditors, have been reported in these accounts at the average rate of exchange for the year. The balance held overseas has been included in the balance sheet at the year end rate.

Foreign exchange gains and losses are charged to the projects through the income and expenditure account.

Operating lease

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The AMAR International Charitable Foundation

Notes to the accounts
for the year ended
31 December 2018

3 Voluntary income

	Restricted Funds £	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Donations and legacies				
Appeals and donations	210,603	56,037	266,640	1,303,727
Grants				
Grants and donations for Iraq programmes	3,371,296	-	3,371,296	7,780,496
	<u>3,581,899</u>	<u>56,037</u>	<u>3,637,936</u>	<u>9,084,223</u>

4 Activities for generating funds

	Restricted Funds £	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Operating activities				
Fundraising events	-	155,857	155,857	169,302
	<u>-</u>	<u>155,857</u>	<u>155,857</u>	<u>169,302</u>

5 Investment income

	Restricted Funds £	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Interest on cash deposits	-	-	-	2,299
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,299</u>

6 Incoming resources from charitable activities

	Restricted Funds £	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Charitable activities				
Fundraising events	-	167	167	150
Rents and charges receivable	-	39,940	39,940	66,653
	<u>-</u>	<u>40,107</u>	<u>40,107</u>	<u>66,803</u>

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7 Total resources expended		Operating activities	Charitable activities	Total 2018 £	Total 2017 £
Direct costs	Note				
Fundraising costs		67,851	-	67,851	116,560
(Profit)/loss on foreign currency		-	3,540	3,540	208,630
UK staff cost		97,692	355,108	452,800	550,119
Staff NIC (Employers)		11,495	32,709	44,204	49,628
Staff pensions		1,825	7,544	9,369	13,433
Conferences and workshops		-	-	-	69,442
Operating leases, rent of premises		-	250,086	250,086	227,555
Administration, travel and subsistence		-	289,455	289,455	229,446
Financial assistance and advice		-	40,047	40,047	65,747
Iraq office costs		-	462,708	462,708	522,610
The audit of the charity's annual accounts		-	6,200	6,200	6,200
Auditors remuneration - non audit work		-	1,600	1,600	1,600
Audit of overseas operation		-	27,007	27,007	22,350
Legal and professional		-	118,499	118,499	1,852
Health care		-	1,060,382	1,060,382	3,067,332
Education and reconciliation		-	553,746	553,746	1,781,589
Emergency aid		-	625,381	625,381	11,248
Other aid		-	1,791,188	1,791,188	1,293,242
Bad debt provision		-	337,903	337,903	-
Fraud in Iraq	13	-	48,148	48,148	-
		<u>178,863</u>	<u>6,011,251</u>	<u>6,190,114</u>	<u>8,238,583</u>

8 Trustee remuneration and expenses

No trustees received any remuneration or expenses during the year (2017: £nil).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2017: nil).

9 Staff costs and numbers

	2018 £	2017 £
Staff costs were as follows:		
Salaries and wages	417,838	619,561
Social Security costs	44,204	49,628
Pension costs	9,368	13,433
Redundancy	11,500	-
Recruitment costs	20,004	-
Other staff costs	3,459	-
Total	<u>506,373</u>	<u>682,622</u>

The average number of employees during the year was as follows:

	2018 No.	2017 No.
Overseas charitable activities	58	85
UK administration	10	15
Total	<u>68</u>	<u>100</u>

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Pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £9,369 (2017 - £13,433).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Senior employees

During the year, the number of senior employees who received emoluments falling within the following ranges were:

	2018 No.	2017 No.
£60,000 to £70,000	2	2
£70,000 to £80,000	1	-
	<u>3</u>	<u>2</u>

In addition to the above employees, AMAR's charitable activities are provide by a further 297 (2017 - 583) Iraqi nationals who, not being employees, are however, in receipt of a stipend to cover their expenses incurred in relation to the work they carry out.

10 Tangible fixed assets

	Long leasehold and other interests in land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2018	102,489	108,477	210,966
Additions	-	-	-
Disposals	-	-	-
At 31 December 2018	<u>102,489</u>	<u>108,477</u>	<u>210,966</u>
Accumulated depreciation			
At 1 January 2018	28,932	66,656	95,588
Charge for the year	67,898	12,505	80,403
Disposals	-	-	-
At 31 December 2018	<u>96,830</u>	<u>79,161</u>	<u>175,991</u>
Net book value			
At 31 December 2018	<u>5,659</u>	<u>29,316</u>	<u>34,975</u>
At 31 December 2017	<u>73,557</u>	<u>41,821</u>	<u>115,378</u>

11 Debtors

	2018 £	2017 £
Trade debtors	123,150	1,284,894
Other debtors	222,962	231,366
Prepayments and accrued income	92,087	431,344
	<u>438,199</u>	<u>1,947,604</u>

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12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	74,507	636,243
Other creditors	43,772	7,223
Accruals and deferred income	25,447	177,202
	<u>143,726</u>	<u>820,668</u>

13 Provisions

	2018 £	2017 £
Brought forward	-	-
New provisions	48,148	-
Provisions released	-	-
Carried forward	<u>48,148</u>	<u>-</u>

Fraud in Iraq

After the year end, the charity has made progress towards quantifying the monetary impact of the fraud-perpetrated on it during the period up to the current year end. Accordingly:

- a provision has been made for unpaid stipends and salaries in the sum of \$65,000 (£48,148).
- a further amount has been provided for in these financial statements in respect of potentially fraudulent expenditure on US government funded projects to the extent that funding hasn't been received from the donor; the provision made is considered to be the maximum owed under these contracts but as yet hasn't been formally quantified.

14 Contingent Asset

As a result of the robust investigations undertaken into the fraud in Iraq, it is the trustees view that legal action for financial restitution, in full or in part, would be successful. The amount has not yet been quantified nor action commenced and accordingly no asset has not been recognised in these financial statements.

15 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

16 Operating lease commitments

As at 31 December 2018 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and Buildings	
	2018 £	2017 £
Within two and five years	<u>-</u>	<u>148,800</u>

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Notes to the accounts
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17 Analysis of cash flows

	2018 £	2017 £
Returns on investment and servicing of finance		
Interest received	-	2,299

18 Reconciliation of net movements in funds to operating cash flows

	2018 £	2017 £
Net incoming/(outgoing) resources	(2,356,214)	1,084,044
Investment income	-	(2,299)
Depreciation, amortisation and impairment charges	80,403	40,676
Decrease/(Increase) in debtors	1,509,405	(539,113)
Decrease/(Increase) in creditors	(676,942)	158,195
Increase/(Decrease) in provisions	48,148	-
Net cash inflow/(outflow) from operating activities	(1,395,200)	741,503

19 Related parties

Controlling entity

The charity is controlled by its trustees.

Related party transactions

Until September 2017, Baroness Nicholson is a director of the Iraq Britain Business Council (IBBC), a company limited by guarantee, which aims to promote business between Iraq and Britain. IBBC is a sub-tenant of The AMAR International Charitable Foundation and has been invoiced for the space occupied. AMAR also recharges IBBC for staff time spent on IBBC work. IBBC provide working capital in Iraq of \$60,000. Details are shown below.

Baroness Nicholson was a director of AMAR International Charitable Foundation in the United States (AMAR US), a company incorporated under the provisions of the District of Columbia Non Profit Corporation Act on 26 January 2010. During the year The AMAR International Charitable Foundation (AMAR ICF), the following activities took place;

- Acted as Sub-Grantee of AMAR US on a number of US State Department funded projects;
- Held fundraising events on behalf of AMAR InternationalCharitable Foundation;

At the year end, AMAR ICF is reflecting an amount owing from AMAR US of £455,243 in respect of the above and the original start up loan.

Staff services and overheads charged to;

	2018 £	2017 £
IBBC	48,533	39,481
AMAR US	-	27,171
	48,533	66,652

Due at the year end from -

	2018 £	2017 £
IBBC	-	7,582
AMAR US	117,340	201,074
	117,340	208,656

Due at the year end to -

	2018 £	2017 £
IBBC	34,106	-

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20 Analysis of net assets between funds

	Restricted Funds £	General Funds £	Total Funds £
2018			
Tangible fixed assets	-	34,975	34,975
Current assets	1,744,832	(780,031)	964,801
Current liabilities	-	(143,726)	(143,726)
Provisions	-	(48,148)	(48,148)
Net assets at 31 December 2018	<u>1,744,832</u>	<u>(936,930)</u>	<u>807,902</u>
	Restricted Funds £	General Funds £	Total Funds £
2017			
Tangible fixed assets	-	115,378	115,378
Current assets	3,131,743	737,663	3,869,406
Current liabilities	(72,385)	(748,283)	(820,668)
Net assets at 31 December 2017	<u>3,059,358</u>	<u>104,758</u>	<u>3,164,116</u>

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21 Movements in funds

	At 1 January 2018	Incoming resources	Outgoing resources	Transfers	At 31 December 2018
2018	£	£	£	£	£
Restricted funds:					
Harbourne- Garden	23,191	-	(13,866)	-	9,325
Iranian Refugees	6,400	-	-	-	6,400
NI Group Fund	30,531	-	-	-	30,531
State of Kuwait fund	1,811,593	91,685	(613,836)	-	1,289,442
Water in School - Mitsubishi	17,994	32,268	(50,262)	-	-
Garda WHVs fund	-	-	(13,667)	13,667	-
Zain fund	-	472,222	(472,222)	-	-
ROO - Health	-	215,182	(215,182)	-	-
ROO - Infrastructure	666,326	592,247	(1,258,573)	-	-
Yemen fund	63,727	-	-	-	63,727
EU - CRD	-	(30,514)	5,135	25,379	-
Us Office - Conduit Funding	69,502	405,698	(554,428)	79,228	-
US Office - Escaping Darkness	13,817	334,277	(268,866)	(79,228)	-
IDP Camps	356,277	388,450	(744,727)	-	-
LDS Projects	-	136,009	(136,009)	-	-
Romania	-	28,131	(28,131)	-	-
Lebanon	-	-	(8,944)	8,944	-
Mending Broken Hearts	-	11,732	(18,275)	6,543	-
Coco Cola	-	16,976	(16,976)	-	-
Shell Contract - Health	-	13,267	(13,267)	-	-
US Office - Education	-	-	(30,922)	30,922	-
ROO - Education	-	528,862	(528,862)	-	-
GIZ	-	315,777	-	-	315,777
APPG	-	29,630	-	-	29,630
	<u>3,059,358</u>	<u>3,581,899</u>	<u>(4,981,880)</u>	<u>85,455</u>	<u>1,744,832</u>
Unrestricted funds					
General fund	104,758	252,001	(1,208,234)	(85,455)	(936,930)
	<u>104,758</u>	<u>252,001</u>	<u>(1,208,234)</u>	<u>(85,455)</u>	<u>(936,930)</u>
	<u>3,164,116</u>	<u>3,833,900</u>	<u>(6,190,114)</u>	<u>-</u>	<u>807,902</u>

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	At 1 January 2017	Incoming resources	Outgoing resources	Transfers	At 31 December 2017
	£	£	£	£	£
2017					
<i>Restricted funds:</i>					
Vitol/Penny Appeal	65,708	30,766	(176,153)	79,679	-
Harbourne- Garden	-	32,000	(8,809)	-	23,191
Iranian Refugees	-	6,400	-	-	6,400
NI Group Fund	62,045	-	(31,514)	-	30,531
IDP Camps - Crescent Petroleum &	-	233,642	(233,642)	-	-
State of Kuwait fund	1,197,154	1,969,797	(1,355,358)	-	1,811,593
IDP - UNOCHA	-	195,463	(147,073)	(25,193)	23,197
New Lebanon fund	-	150	(19,427)	19,277	-
Water in School - Mitsubishi	-	24,375	(6,381)	-	17,994
Rebuilding lives - book	-	50,000	(55,000)	5,000	-
Garda WHVs fund	390	4,682	(19,827)	14,755	-
Zain fund	-	483,352	(523,571)	40,219	-
Shell Company fund - Al Nashwar	-	74,992	(74,992)	-	-
Shell Company fund - Women Volu	-	65,802	(65,802)	-	-
ROO - Vocational	-	616,667	(616,667)	-	-
ROO - Health	-	129,932	(143,384)	13,452	-
ROO - Infrastructure	-	1,654,658	(988,332)	-	666,326
ROO - Recreational Park	83,597	226,954	(321,154)	10,603	-
Yemen fund	69,740	-	(6,013)	-	63,727
Emergency Appeal	20,561	105,888	(193,762)	67,313	-
EU - CRD	107,922	202,027	(309,949)	-	-
Olive Group	6,762	52,124	(58,886)	-	-
Ramadan	-	12,376	(12,376)	-	-
Us Office - Conduit Funding	54,001	402,461	(346,741)	(40,219)	69,502
US Office - Invest	-	461,890	(489,429)	27,539	-
US Office - Escaping Darkness	102,475	465,649	(591,554)	37,247	13,817
ROO - Mobile Health Centre	89,170	59,846	(149,016)	-	-
Escaping Darkness Appeal	50,739	-	(26,172)	(24,567)	-
IDP Camp - Mosul	-	339,039	(195,391)	-	143,648
Yazidi support fund	4,247	-	-	-	4,247
ROO - Others	-	339,530	(315,475)	(24,055)	-
LDS Conference	-	38,904	(38,904)	-	-
LDS Medical and Training 2	100,660	400,270	(236,749)	(78,996)	185,185
LDS Infection Control	-	(4,273)	(11,189)	15,462	-
	<u>2,015,171</u>	<u>8,675,363</u>	<u>(7,768,692)</u>	<u>137,516</u>	<u>3,059,358</u>
<i>Unrestricted funds</i>					
General fund	64,901	647,264	(469,891)	(137,516)	104,758
	<u>64,901</u>	<u>647,264</u>	<u>(469,891)</u>	<u>(137,516)</u>	<u>104,758</u>
	<u>2,080,072</u>	<u>9,322,627</u>	<u>(8,238,583)</u>	<u>-</u>	<u>3,164,116</u>

Transfers

These represent excess spend on restricted projects being funded from the general reserve

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Description of restricted funds

Emergency Appeal Fund was set up by UK fundraising and was used to support AMAR's emergency humanitarian response to the activities of IS in Iraq and the ensure displacement of vast numbers of IDPs.

Garda World Fund was set up to cover cost of provision of one health post and 20 Women Health Volunteers to provide health care services in Iraq.

Lebanon Fund and New Lebanon fund was set up towards cost of providing humanitarian services like health care and education for Lebanese people.

NI Group Fund was set up for medical care, social care and general assistance of the Iraqi citizen Shams Hisham.

State of Kuwait Fund was set up to build, furnish, equip and run for 3 years a small charitable surgical hospital, polyclinic plus supporting services.

Yemen Fund was set up to improve the health of the population of Yemen.

Zain Fund was set up to provide Iraqi-based support for AMAR's humanitarian work in Baghdad and across Iraq.

Ramadan Food Boxes - This project was set up to distribute 517 food parcels to vulnerable and IDP families in Baghdad and Basra Province during Ramadan 2015.

Olive Group - This project was set up to provide football and life skills training to 600 children in schools in the Al-Dayer district of Basra province.

Shell Al Nashwar - This project was set up to improve education for girls in Al-Nashwa via the construction of an 18 classroom girls school, community council for girls education and awareness raising campaign.

Escaping Darkness fund was set up to provide psychological support to displaced people in Northern Iraq.

US Office conduit fund was set up to reflect projects funded and managed directly by AMAR International Charitable Foundation in the United States (AMAR US).

Vitol/Penny Appeal was set up to create and operate a health facility in the Zelikan (now Qaymawa) IDP camp.

LDS Medical and training 2 - LDS Medical and Training was set up to enable medical and training facilities in IDP camps to be refurbished and operated.

EU - CRD - Combating Religious Discrimination Fund is funded by EU via EIDHR and was established to combat all forms of discrimination on the grounds of religion and belief (or non belief) in order to reduce on going social, economic and political division in Southern Iraq.

US Office - Escaping Darkness fund was set up to provide psychological support to displaced people in Northern Iraq.

ROO - The recreation park and feasibility study fund was set up to assess if there was a requirement for and the cost of a recreation park in specific locations in Southern Iraq and then construct them as necessary.

The ROO Mobile Health Clinic fund was set up to supply and operate a Mobile Health Clinic.

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The ROO Health feasibility fund was set up to fund the cost of ascertaining what the additional health support requirements were in designated areas with a view to targeting future funding.

The Yazidi support fund was originally set up to provide medical support to 2 Yazidi women initially - with a view to expanding the numbers benefiting should funding permit.

The ROO Others fund was set up to support numerous smaller scale but essential projects – e.g. the rehabilitation of a house that had been burnt down.

The LDS Infection Control project was set up to provide essential medical hygiene training to improve infection control within medical facilities in Iraq.

Harbourne Garden fund was set up so that children would be able to have the experience of horticulture activities.

Iranian Refugees fund was set up to collect donations to assist Iranian refugees or re-establish charitable activities in Iran.

IDP camps (Crescent Petroleum & Dana Gas) fund was set up to provide healthcare services to IDPs in the Khanke camp.

IDP camps (UNOCHA) fund was set up to account for funding received from UNOCHA and the relevant expenditure on the provision of healthcare services to IDPs in 3 specified camps.

Water in School (Mitsubishi) fund was set up to provide drinkable water in schools.

Rebuilding Lives book fund was set up to enable a book providing a pictorial history of AMAR's first 25 years to be produced for distribution.

Shell Company Fund (Women Volunteers) fund was set up to enable WHVs to provide health education service in specified areas.

ROO Vocational fund was set up to provide employment to unskilled and semi-skilled workers from Qarmat Ali Water Treatment Plant community.

ROO Infrastructure fund was set up to enable the improvement of infrastructure (such as roads and lighting) to take place.

US Office – INVEST fund was set up to deliver vocational training to displaced people through dedicated centres in northern and central Iraq.

IDP camps (Mosul) fund was set up to provide healthcare services to IDPs in the Mosul.

LDS Conference fund was set up to reflect the sponsorship by LDS Charities of the conference on tackling Religious Persecution with the aim of bringing the issue of religious discrimination in Iraq to a wider audience.

APPG fund – this fund was set up so as to enable research into prevention of sexual violence in conflict

Mending Broken Hearts fund – this fund was set up to establish the feasibility of hosting a fundraising concert to support the rebuilding of medical facilities, etc. in Mosul

Romania fund – this fund was set up to support the ACHLG programme in Romania

Coca Cola fund – this fund was set up to promote water saving and improved water quality in Iraq

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Water in School – Mitsubishi fund – this fund was set up to improve water quality and availability in schools

GIZ fund – this fund was set up to rehabilitate education / training centres in Iraq and provide relevant support, etc.

22 Unrestricted reserves

The negative unrestricted reserves have arisen primarily due to the costs associated with the investigation of and provisions associated with the fraudulent activity perpetrated on AMAR.

- steps have been taken to address the issues giving rise to the unrestricted funds deficit;
- there is donor support to utilise this funding to support AMAR's ongoing financial viability from a cash flow perspective;
- the implementation of a fiscal recovery policy has started.