



AMAL

Registered charity no: 1190887

**Annual Report and Financial Statements
for the period 17 August 2020 to 31 December 2021**

Reference and Administrative Information

Charity registration number	1190887
Registered office address	Moseley Exchange, 149-153 Alcester Road, Moseley, Birmingham B13 8JP
Website:	www.amal.org.uk
Board of Trustees	Abid Hussain (appointed 17 August 2020; Interim Chair) Luqman Ali (appointed 17 August 2020) Zarah Hussain (appointed 17 August 2020; resigned 8 October 2021) Sufia Parkar (appointed 8 October 2021) Catherine Thomé (appointed 8 October 2021) Josh Weinberg (appointed 18 January 2022)
Chief Executive Officer	Catherine Roe
Bankers	National Westminster Bank Plc 66-68 St Johns Road Clapham Junction London SW11 1PZ
Legal advisers	Bates Wells 10 Queen Street Place London EC4R 1BE
Independent Examiners	Counterculture Partnership LLP Unit 115, Ducie House 37 Ducie Street Manchester M1 2JW

Report of the Trustees

The Trustees present their report and the independently examined financial statements of the charity for the period ended 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice “Accounting and Reporting by Charities” (FRS 102) in preparing the Trustees’ report and financial statements.

Trustees of the charity

The Trustees of the charity who have served during the period and since the period end are set out on page 1.

Objectives and Activities

Amal’s charitable object, as set out in its Constitution, is “the promotion of equality and diversity for the public benefit in the UK by supporting creative endeavours in the arts, in all its forms, and culture which (a) increase understanding of Britain’s Muslim communities among people who are secular or of other faiths; and (b) foster a stronger sense of belonging in the UK among its Muslim communities.” Amal’s vision is of a Britain in which Muslims are fully and fairly represented, equally valued, and celebrated for their rich and diverse contribution to British life. In its work it is guided by the values of social justice, compassion and conviviality.

Amal’s purpose is to help change the narrative around Muslims in the UK to one that is confident, diverse and just. It does so by growing opportunities for Muslim communities to realise and express their full creative potential and to share and celebrate this creativity with others.

Amal began life in 2017 as a grant-making pilot project of the Saïd Foundation; evolved into a programme providing support, in addition to funding, to its partners; and then, building on the assets it had developed, it embarked in 2020 on an ambitious new future as a Muslim-led, independent charity. These assets included a community of over 50 partner organisations, hundreds of artists, advisers who generously provide guidance on a variety of matters, and many other friends and supporters; a respected “brand” in the arts sector as the only initiative using a multiple-arts approach focusing specifically on Muslims; and learning developed through a robust evaluation process and a wide perspective, thanks to Amal’s multi-location, multiple-arts approach.

Amal’s new cornerstone programme, Amal Connects, which is based on learning from Amal’s previous work and consultation with Amal’s stakeholders, aims to build a community of practice in the arts and cultural sector which fully includes Muslims as audiences, participants, artists, workers and leaders; and to shift the narrative around Muslims to one that encompasses a multitude of stories reflecting their diversity, celebrating their experiences and enabling us all to enjoy and respect our differences and our common ground.

The programme follows a co-creation, place-based, partnership model, ensuring that the work we support directly reflects the experience, concerns and priorities of Muslim communities. Our initial hub locations are Bradford and Birmingham. These hubs were chosen as they are cities with large Muslim populations, many of whom live in disadvantaged socio-economic circumstances, and where Amal was already respected and well connected. Evidence from both cities shows that Muslims are underrepresented in the arts and cultural sectors as audiences, participants and workers. We plan to add London and Manchester as additional hubs over 2022 to 2024.

We work to advance a long-term, systemic cycle of change and all our work is predicated on partnership. By encouraging cultural organisations and Muslim communities to engage more fully with each other and by enabling creative projects to be co-created by communities, we help these communities to feel that creative activity and the UK's cultural organisations belong to them too. This in turn helps arts organisations to become more inclusive of all British society. Through greater exposure to cultural engagement, we encourage more young Muslims to choose careers in this sector. Our work also ensures that Muslim artists and cultural workers have more opportunities to develop their skills, experience and networks, and to become leaders in their fields. This means more Muslim-created content by Muslim artists reaches wider audiences across the UK. Through the projects we support, we create encounters between individuals or groups who may not usually find themselves in a room together or engaging in dialogue. This "normalisation" of representation will create greater understanding and belonging for the long term.

Achievements and Performance

The first phase of Amal's development as an independent charity, from August 2020 to April 2021, focused on building a new strategy which took the form of the Amal Connects programme; on putting in place the policies and processes Amal needed as a stand-alone organisation; and on fundraising to become a going concern. By the end of this phase, Amal had secured the funding it needed to start to put its new strategy into operation. Its founding donors were the Saïd Foundation, Esmée Fairbairn Foundation and Paul Hamlyn Foundation. The Trustees are enormously grateful to these funders for their vision in supporting our pioneering work as we embarked on independent life.

The second phase of Amal's development, from May to December 2021, focused on the preparatory work required to build Amal's organisational capabilities and to launch the Amal Connects programme. We built a small team of five who, collectively, have the skills and experience Amal needs to grow and support Amal Connects. The team includes a Community Engagement Coordinator in both Birmingham and Bradford who are rooted in these cities and their Muslim communities.

The Amal Connects programme has five workstreams which, eventually, will all run continuously in parallel with each other but which are being developed in the following sequence:

- i. Consulting and Connecting
- ii. Creative Visualisation
- iii. Co-created arts projects
- iv. Convening
- v. Capacity-Building

Preparatory work in 2021 focused mainly on the **Consulting and Connecting** workstream. Amal has researched and mapped Amal Connects' three sets of stakeholders in Birmingham and Bradford: community groups working with Muslims, artists and arts organisations. Having identified these stakeholders through desktop research, Amal's historical records and their own connections, the Community Engagement Coordinators then made contact and held meetings to introduce Amal and began to identify the different barriers stakeholders face to engaging in creative activity or to working with Muslim communities and their interest in participating in Amal-supported activity. With community groups, they also explored their concerns and aspirations. This work helps Amal to build relationships with our different stakeholders, to identify the potential for co-creating projects and to

connect community groups, artists and arts organisations with each other depending on their interests and skills.

Table 1: Stakeholder barriers and interest

Stakeholder	Barrier	Interest
Muslim community groups	To participation in creative activity	In developing a creative project In participating in creative workshops
Muslim artists	To developing and sustaining creative careers	In delivering a creative project with a community group In delivering creative workshops
Arts and cultural organisations	To working with and engaging Muslims	In delivering a creative project with a community group In delivering creative workshops In platforming work made in Amal projects

Table 2: Stakeholders identified, contacted and met September 2021 to 10 January 2022

Stakeholder	No. identified	No. contacted	No. met	No. of meetings
Community organisations	70	51	33	44
Artists	97	55	40	45
Arts & cultural organisations	90	42	22	27
Total	257	148	95	116

The response to our approaches has been very positive. There is a clear sense that this work is needed but also a sense of how challenging it is.

Work in 2021 also focused on developing Amal's *Creative Visualisation* activities. Communities that face multiple disadvantages, like many Muslim communities in our hub locations, are less likely to have exposure to and engagement with mainstream arts and cultural activity. To bridge that gap, Amal provides opportunities for groups to engage in creative activities, giving them a better sense of the range of possibilities that is open to them. These will include participatory workshops, performances of work (such as plays) accompanied by feedback sessions or facilitating group members to see shows or exhibitions and reflect on this experience. The first call-out to artists to deliver workshops closed towards the year end. Applications received encompass multiple art forms and will form the basis of a pipeline of activities Amal will offer to community groups.

The groundwork was also laid to launch the *Co-created Arts and Cultural Projects* workstream of Amal Connects. Based on feedback from stakeholders and Amal's previous experience, funding and eligibility criteria have been approved by the Trustees for providing funding support to co-created projects. These criteria are available to all on Amal's website through which expressions of interest can be submitted for funding of a co-created project. Applications may also be developed proactively by the Amal team working with community groups and artists who may not yet have the ability to connect with each other to design a project or to navigate application systems without assistance. Applications are then assessed by the Amal team to consider whether they meet Amal Connects' essential criteria and whether they additionally meet further desirable criteria. If the expression of interest is a potential match for Amal's criteria, then organisations applying will be asked for further

information to enable the team to assess the quality, viability and reach of the proposed project. In making final decisions on which projects to support, Amal is also guided by its commitment to make its work inclusive of the diversity of Muslim communities and of other protected characteristics.

Plans for Future Periods

In 2022, Amal will continue its **Consulting and Connecting** work and start to deliver its **Creative Visualisation** activities in February, aiming to facilitate around 50 workshops and other activities in its two hubs during the year.

The application process to deliver **Co-created Projects** with Amal's support opened to applicants through Amal's website on 1 February 2022. Amal aims to support around 14 co-created projects in the two hubs during the year reaching around 2,100 mainly Muslim community members and artists, as our primary participants. An important aspect of these projects, which will be facilitated by the Amal team, will be to extend their reach in Birmingham and Bradford by platforming the work produced in the projects at different venues with the support of arts, cultural and other organisations. This showcasing will also enable opportunities for cross-community encounter.

We will also start our fourth and fifth Amal Connects workstreams, **Convening** and **Capacity Building**. We plan to hold six convenings in 2022 in each hub location of community groups, artists and arts organisations, separately and together, to provide a forum for discussion of the barriers they face as individuals and organisations to bringing about a community of practice in the arts and cultural sector which fully includes Muslims as audiences, participants, artists, workers and leaders, and to learn about ways of overcoming these barriers. We also plan to provide support to partners to build their capacity to work creatively with Muslim communities. With community organisations we expect to focus on fundraising and project management; with arts organisations on working with Muslim communities.

Preparatory work will also begin in 2022 to extend our work to a third hub, London, where the largest number of the UK's Muslim communities reside.

In the course of 2022, we will roll out all five of the Amal Connects' workstreams in Bradford and Birmingham. We have a rigorous evaluation system in place and will be learning as we go with a view to refining the Amal Connects' model for future years including by commissioning co-created work which builds on approaches that prove particularly successful in 2022.

Amal has robust plans to raise the income needed to carry out planned activity both in 2022 and beyond, including a commitment to grow Amal's fundraising capabilities.

Financial Review and Reserves Policy

During the period, Amal raised donations of £550,000 in support of its work. £475,000 of this funding was unrestricted or for core costs; £75,000 was restricted for aspects of the Amal Connects programme. In addition, it received £65,889 as a restricted grant to meet outstanding grant commitments made by the Saïd Foundation's former Amal Programme. During the period, total expenditure was £200,154. At the period end, Amal's reserves totalled £415,735, of which £351,579 were unrestricted or for core costs including funds of £250,000 which have been designated by the Trustees to protect the viability of the Amal Connects programme in its first full year of operation in 2022.

Amal's reserves policy has been determined by the Trustees and is to hold reserves of at least three months' running costs with the intention that, in the long term, reserves will be built to at least six

months' running costs. At the period end, Amal held unrestricted and undesignated reserves of £101,579, representing just over three months' running costs.

Structure, Governance and Management

Amal is a charitable incorporated organisation registered with the Charity Commission on 17 August 2020. Its registered number is 1190887. Its governing document is a Constitution which closely follows the Charity Commission standard Foundation model of Constitution for charitable incorporated organisations.

Upon appointment Trustees are provided with an induction briefing, both on governance best practice for charities and on Amal. They receive a pack of key documents on both these aspects which includes Amal's Constitution and links to Amal's policies and risk register. This pack is updated at regular intervals. Trustees are familiar with the Charity Governance Code and will review Amal's governance arrangements against this Code at intervals to ensure there are no issues of concern.

The Board currently comprises five Trustees who all bring skills and experience to the Board which support Amal's governance and work. It is the intention of the Trustees to grow the Board's membership over 2022 and this growth will be informed by an audit skills gap analysis and by an open recruitment process. In appointing new Trustees, the Board pays close attention to principles of diversity and the need to reflect Amal's inclusive, cross-community approach.

Under its Constitution, the Board may delegate authority of certain powers and has done so under a Scheme of Delegation as follows.

A Grants Committee has been established to provide a structured, systematic oversight of Amal's processes and practices for the granting of funds to external parties. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Committee assists the Board and management by providing advice and guidance on the adequacy of and potential improvements to these processes and practices. Its current membership is Luqman Ali and Abid Hussain.

A Finance and Audit Committee has been established to provide a structured, systematic oversight of Amal's governance, financial, risk management and internal control processes and practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Committee assists the Board and management by providing advice and guidance on the adequacy of and potential improvements to these processes and practices. Its current membership is Josh Weinberg (Chair) and Catherine Thomé.

The Chief Executive Officer, Catherine Roe, is responsible for the day-to-day management of Amal's work and for implementing policies agreed by the Trustees.

Public Benefit

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. Amal's work supports the promotion of equality and diversity for the public benefit in the UK, which is among the 'public benefits' as defined in the Act.

Approved by the Board of Trustees on 2 March 2022 and signed on its behalf by:



Josh Weinberg
Trustee and Chair of the Finance and Audit Committee

Independent Examination Report

Year ended 31 December 2021

I report to the trustees on my examination of the accounts of the above charity ("the Charity") for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the 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 all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

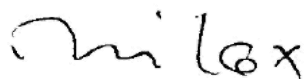
Independent examiner's statement

Since the Charity's gross income exceeded £250,000, I can confirm that I am qualified to undertake the examination by virtue of being a Fellow Member of the Institute of Chartered Secretaries and Administrators (ICSA), which is one of the listed bodies.

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

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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.



Tom Wilcox
Institute of Chartered Secretaries and Administrators
Counterculture Partnership LLP
Unit 115, Ducie House
Ducie Street
Manchester
M1 2JW

Dated 2 March 2022

Amal
Statement of Financial Activities
for the period 17 August 2020 to 31 December 2021

	Note	Restricted Funds £	Unrestricted Funds £	Total 2021 £
Income from:				
- Donations and legacies	2	140,889	475,000	615,889
Total income		140,889	475,000	615,889
Expenditure on:				
- Raising funds		-	(9,626)	(9,626)
- Charitable activities	3	(76,733)	(113,795)	(190,528)
Total expenditure		(76,733)	(123,421)	(200,154)
Net income	4	64,156	351,579	415,735
Net movement in funds for the year		64,156	351,579	415,735
Reconciliation of funds	10			
Funds brought forward 17 August 2020		-	-	-
Funds carried forward 31 December 2021		64,156	351,579	415,735

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 10 to 15 form part of these financial statements.

Amal
Balance Sheet as at 31 December 2021

	Note	2021 £
Fixed assets		-
Total fixed assets		<u>-</u>
Current assets		
Debtors, prepayments and accrued income	8	180,487
Cash at bank and in hand		<u>263,715</u>
Total current assets		444,202
Liabilities		
Creditors falling due within one year	9	(28,467)
Net assets		<u>415,735</u>
Funds of the charity	10	
Restricted funds		64,156
<i>Unrestricted funds</i>		
Designated reserves	250,000	
Free reserves	<u>101,579</u>	
Total unrestricted funds		<u>351,579</u>
Total charity funds		<u>415,735</u>

The Financial Statements on pages 8 to 15 were approved by the Board of Trustees on 2 March 2022 and signed on its behalf by:



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Josh Weinberg
Trustee and Chair of the Finance and Audit Committee

Amal
Notes to the Financial Statements
for the period 17 August 2020 to 31 December 2021

1. Accounting Policies

1.1. Basis of preparation

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 2019), the Charities Act 2011 and UK Generally Accepted Accounting Practice. The charity meets the definition of a 'public benefit entity' under FRS 102. The financial statements are prepared under the historic cost convention except where otherwise stated. The charity's assets and liabilities are denominated in Pounds Sterling and the functional currency of the charity is Pounds Sterling. The Financial Statements are therefore presented in that currency.

1.2. Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The full analysis of income is shown in the Statement of Financial Activities (SOFA).

Donated services and facilities are recognised as 'gifts in kind' and included as income in the SOFA at the point they are received, provided the value of the gift can be measured reliably. An equivalent amount is simultaneously recognised as an expense under the appropriate heading in the SOFA. The value of volunteer time received cannot be measured reliably so is not accounted for in this way, but has been described more fully in note 5, below.

1.3. Expenditure and irrecoverable VAT

Expenditure is recognised once: there is a legal or constructive obligation to make a payment to a third party arising from a past event; it is probable that settlement will be required; and the amount of the obligation can be measured reliably. Expenditure relates either to raising funds (the costs associated with fundraising) or to charitable activities.

Support costs are those that assist the work of the charity but do not directly represent charitable activities.

Governance costs comprise costs related to the governance of the charity, to allow it to operate and to generate information for public accountability. Direct costs will include independent examination fees, legal advice and costs of trustees' meetings.

The charity is not registered for VAT and irrecoverable VAT is therefore charged as a cost against the activity for which the expenditure was incurred.

1.4. Fixed assets

Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £2,500. Fixed assets are then depreciated over their remaining useful economic lives. No such capital expenditure has been incurred during this period of account.

1.5. Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at the cash settlement amount after any trade discounts or amounts advanced by the charity. Subsequently, they are measured at the value of the cash or other consideration expected to be received.

Amal
Notes to the Financial Statements
for the period 17 August 2020 to 31 December 2021

1.6. Charitable Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are available for use subject to restrictions imposed by the donor or through terms of an appeal.

1.7. Taxation

As a registered charity, the entity is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only.

1.8. Going concern

Amal has secured funding for more than 60% of the expenditure the Board has approved in the budget for 2022. A significant proportion of this funding commitment has been paid to Amal by its donors in advance. The Board is confident that Amal will be able to raise the balance of the budget and also has in place a plan for reducing the budget in 2022 if necessary. The Board is therefore confident that the charity will be able to continue its activities for a period of at least 12 months from the approval of these financial statements, and the Board has concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

The Board had due regard to the challenges presented by Covid-19 when approving the 2022 budget. Amal was established as an independent charity and has secured all its funding to date during the pandemic. Its staff have been provided with the necessary equipment to work from home when necessary and have worked without loss of productivity or quality both at home and, when possible, from offices and co-working spaces. Some of Amal's partners have experienced difficulties in delivering projects as originally planned but have successfully found online and hybrid alternative methods of delivery.

Amal
Notes to the Financial Statements
for the period 17 August 2020 to 31 December 2021

2. Analysis of income

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total 2021 £
Donations and legacies:			
General grants provided by other charities	140,889	475,000	615,889
Total	140,889	475,000	615,889

3. Analysis of expenditure on charitable activities

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total 2021 £
Charitable activity: <i>growing opportunities for Muslim communities to realise and express their full creative potential and to share and celebrate this creativity with others.</i>			
Activities undertaken directly	10,844	13,991	24,835
Grant funding of activities	65,889	-	65,889
Core staff costs	-	82,217	82,217
Support costs (see below)	-	17,587	17,587
Total	76,733	113,795	190,528

Breakdown of support costs:

Governance costs	5,983
IT equipment, software and support costs	4,908
Staff recruitment, training and related costs	4,390
Insurance	1,149
Accountancy and professional costs	629
Other support costs	528
Total support costs	17,587

4. Details of certain items of expenditure

Net income for the year is stated after charging:

	Total 2021 £
Independent examination fees (including irrecoverable VAT)	720

Amal
Notes to the Financial Statements
for the period 17 August 2020 to 31 December 2021

5. Staff costs

	Total 2021 £
Salaries and wages	98,133
Social security	6,679
Employer pension contributions	9,691
Total staff costs	<u>114,503</u>

At 31 December 2021 the charity employed five members of staff. The average monthly employee head count during the period was two. The charity operated a salary sacrifice scheme for employee contributions to a registered pension scheme. The charity contributed 6% of each employee's gross salary to the scheme at its own expense, as well as contributing 2% of salary sacrificed by each participating employee. No other employee benefits were paid during the year.

The charity also benefitted from the contribution of unpaid volunteers during the year. The CEO provided her time on a voluntary basis for a period of 7.5 months. The Financial Controller of the Saïd Foundation also provided unpaid support with accountancy and finance tasks throughout the year. It is impractical to arrive at a reliable estimate of the value of this unpaid support so, in accordance with the SORP, no income or expenditure has been recognised in relation to it.

6. Remuneration of key management personnel and Trustees

The charity's key management personnel comprised the Chief Executive Officer and Interim Director of Fundraising. The total remuneration of key management personnel during the period (excluding employer pension contributions) was £43,951. The Foundation also made pension contributions of £3,446 and paid employer's National Insurance contributions of £4,946 in respect of these individuals.

No employees received remuneration of £60,000 during the period.

The charity's Trustees were not paid any remuneration nor received any other benefits from the charity or any related entity. Trustees are entitled to reimbursement for reasonable travel costs incurred in the course of their duties. No such reimbursements were made in the period.

7. Grantmaking

In pursuit of its charitable object, Amal makes grants to other charities and community organisations as part of its work. No grants are made to individuals. Grantmaking under the Amal Connects programme will start in the next financial year. Under a funding agreement between Amal and the Saïd Foundation, Amal inherited the commitments made by the Saïd Foundation's Amal Programme which had not yet been fulfilled at the time of their transfer to Amal on 1 May 2021. The Foundation made a donation to Amal of £65,889 to meet these commitments. Amal committed eight grants during the period to the organisations listed in the table on the following page.

Amal
Notes to the Financial Statements
for the period 17 August 2020 to 31 December 2021

7. Grantmaking (continued)

Organisation	Grant Commitments 2021 £
Khayaal Theatre Company	16,666
Greenbelt Festival	12,000
Tower Hamlets Schools Library Service	10,789
Kala Sangam	10,403
Soul City Arts	6,250
Tamasha Theatre	4,564
P21 Gallery	3,565
Ort Gallery	1,652
Total grant commitments	65,889

8. Debtors, prepayments and accrued income

	2021 £
Grant funding receivable	180,487
Total	180,487

9. Creditors and accruals

	2021 £
Grant commitments payable	26,181
Trade and other creditors	1,535
Accruals	751
Total	28,467

10. Analysis of charitable funds

	Balance 17.08.20 £	Income £	Expenditure £	Transfers between funds £	Balance 31.12.21 £
Unrestricted Funds					
Unrestricted income fund	-	475,000	(123,421)	(250,000)	101,579
Designated fund	-	-	-	250,000	250,000
Total unrestricted funds	-	475,000	(123,421)	-	351,579
Restricted Funds					
Saïd Foundation restricted fund	-	65,889	(65,889)	-	-
Paul Hamlyn Foundation restricted fund	-	75,000	(10,844)	-	64,156
Total unrestricted funds	-	140,889	(76,733)	-	64,156
Total funds	-	615,889	(200,154)	-	415,735

Amal
Notes to the Financial Statements
for the period 17 August 2020 to 31 December 2021

10. Analysis of charitable funds (continued)

The unrestricted income fund is used to meet the costs of charitable activities which are not funded from elsewhere, as well as the charity's core costs and fundraising costs. During the year, the Trustees agreed to designate £250,000 to provide security of funding for the Amal Connects programme in Birmingham and Bradford.

The two restricted funds are used to account for funding provided by:

- Paul Hamlyn Foundation. This is only permitted to be spent on *Amal Connects*, and funds the salary of a Community Engagement Coordinator and projects in its hub locations.
- The Saïd Foundation. This is only permitted to be spent on the legacy grants inherited by Amal from the Foundation.

11. Transactions with related parties

Amal enjoys a close working relationship with its founding donor, the Saïd Foundation (registered charity number 1125521). Ms Catherine Thomé is CEO of the Saïd Foundation as well as a serving Trustee of Amal. During the year, the Saïd Foundation provided £275,000 of funding to Amal. £80,477 of this total remained unpaid at the year-end and has been carried forward as a debtor.

During the year, a grant of £16,666 was made by Amal to Khayaal Theatre Company (registered charity number 1100005). At the year-end, £4,166 of this total remained unpaid. Amal Trustee Luqman Ali is Artistic Director of Khayaal.

Under Amal's Constitution, a Trustee may be a beneficiary of the charity provided that a majority of the Trustees do not benefit in this way. Trustees must declare any interest they may have in a transaction or proposed transaction with Amal and, where they may have a personal interest in a matter to be decided by the Trustees, must not take part in the making of the relevant decision on the matter.

12. Contingent assets

Amal has a long-term funding agreement with the Saïd Foundation which runs until 31 December 2023. The maximum amount of funding payable under this agreement is £800,000, subject to a 'match funding' clause which requires Amal to raise an equivalent sum from other third-party donors. As this condition is not wholly within Amal's control, only the proportion of the Saïd Foundation funding which has been matched by other donors has been recognised in these financial statements. To date this total is £275,000, meaning the remaining £525,000 of Saïd Foundation funding is a contingent asset which may be recognised in future periods.