



UNLEASHING CREATIVE POTENTIAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2022



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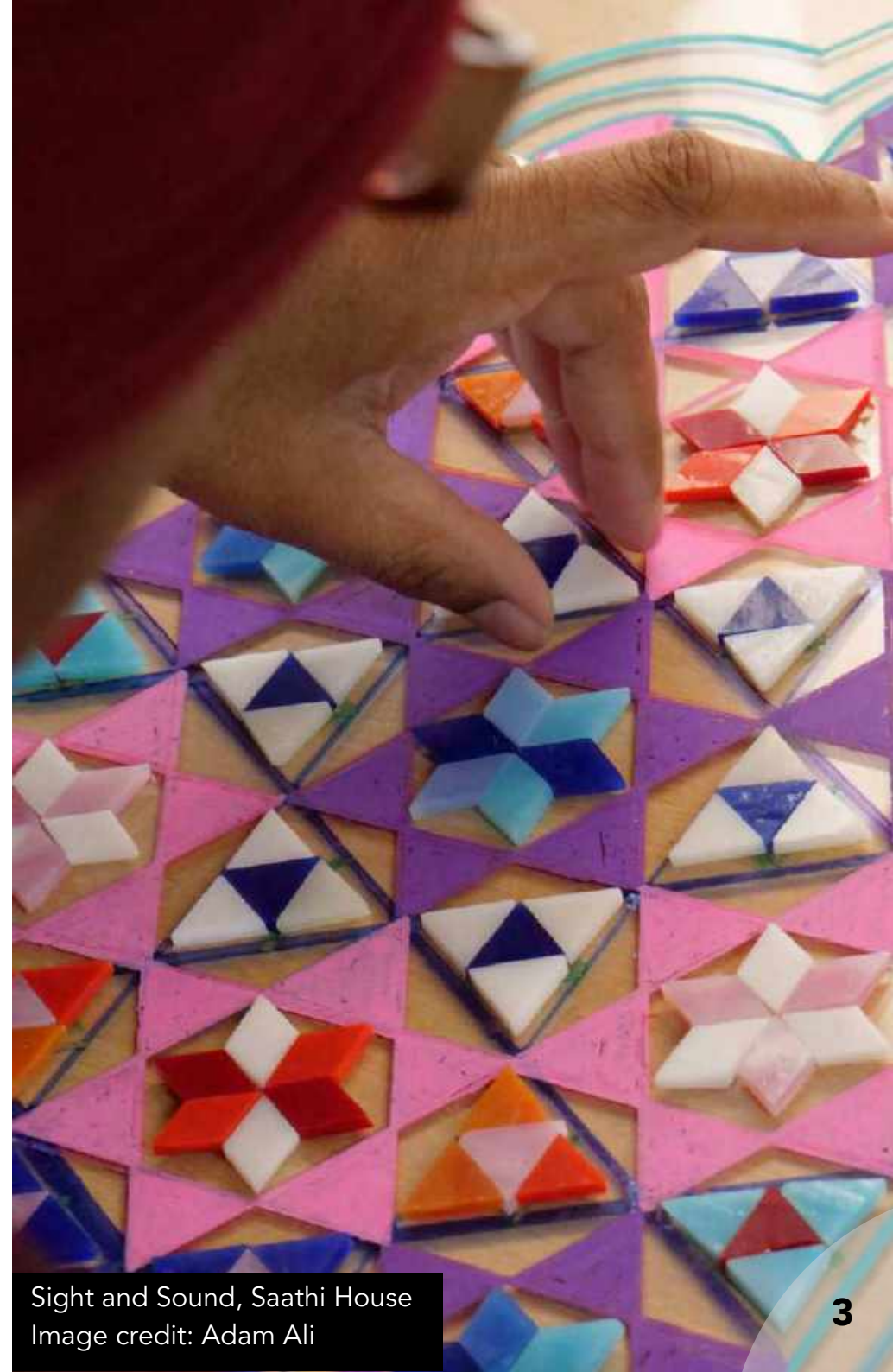
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TRUSTEES' ANNUAL REPORT

The Trustees present their report and the independently examined financial statements of the charity for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.



REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name

Amal

Charity registration number

1190887

Principal office

Moseley Exchange
149-153 Alcester Road
Moseley
Birmingham
B13 8JP

Chief Executive Officer

Catherine Roe

The Trustees

The Trustees who served during the year and at the date of approval were as follows:

Catherine Thomé (Interim Chair)

Abid Hussain (Interim Chair, resigned 7 April 2022)

Luqman Ali

Sanaz Amidi (appointed 14 November 2022)

Sufia Parkar

Josh Weinberg (appointed 18 January 2022)

Bankers

National Westminster Bank Plc
66-68 St Johns Road
Clapham Junction
London
SW11 1PZ

Accountants

Lovewell Blake LLP
Bankside 300
Peachman Way
Broadband Business Park
Norwich
NR7 0LB

Independent Examiners

Counterculture Partnership LLP
Unit 115, Ducie House
37 Ducie Street
Manchester
M1 2JW

Legal advisers

Bates Wells
10 Queen Street Place
London
EC4R 1BE



OBJECTIVES

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."

VISION & VALUES

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.



Does My Bomb Look Big in This?, Tamasha Theatre
Image credit: Bettina Adela

PURPOSE

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.

WHY OUR PURPOSE MATTERS

We work to change the narrative around Muslims in the UK so that they can realise their potential as members of our society unimpeded by barriers created by discrimination.

A 2022 study by Birmingham University shows that the British public feels much more negatively towards Muslims than towards any group except Gypsy and Irish Travellers.

— “ —

Islamophobia has a significant negative impact on the life chances and quality of life enjoyed by British Muslims.

All Party Parliamentary Group on British Muslims report on a definition of Islamophobia

— ” —

3.9m

**Muslims
in England and Wales**

This is not a small-scale problem. There are millions of Muslims in the UK. They are the UK's largest minority.

6.5%

population of UK

Collectively, Muslims experience the greatest economic disadvantages of any group. They are more likely than non-Muslims to face neighbourhood deprivation, housing, educational and health disadvantage, and unemployment. The prejudice they face holds them back in every walk of life. It is unjust to them and an impediment to greater social harmony in the UK.

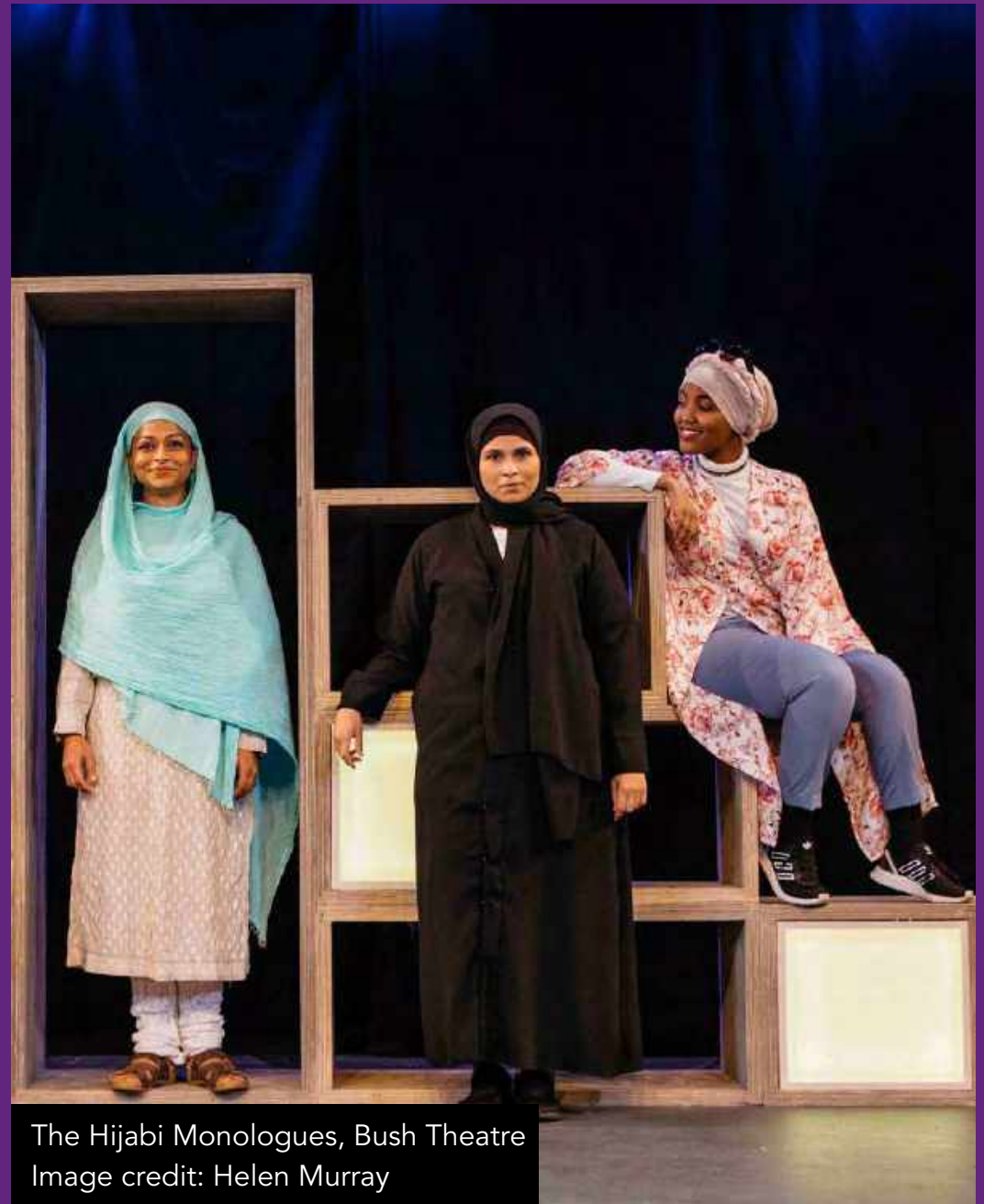
15%

population of London

OUR STORY SO FAR

Amal began life in 2017 as a grantmaking 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.



The Hijabi Monologues, Bush Theatre
Image credit: Helen Murray

63

Creative projects
engaging people of
Muslim heritage

7,738

People engaged in
participatory creative
activities

88,732

Audiences members
experienced artistic work
relating to Muslims

1,355

Work opportunities for
Muslim and non-Muslim
artists

1,336

Events held across the
UK



AMAL CONNECTS

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.

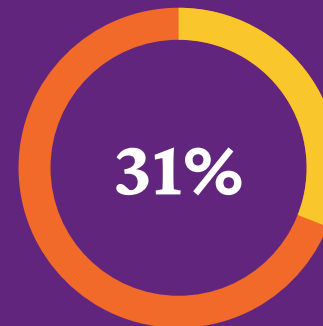


of Birmingham's population is Muslim

More Muslims live in Birmingham than any other local authority. Six of the 10 most deprived wards in the city are Muslim majority.

BRADFORD - BIRMINGHAM

Our initial hub locations are Bradford and Birmingham. These hubs were chosen as they are cities with large Muslim populations (around 30% of the overall population), 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.



of Bradford's population is Muslim

the highest proportion of any city in the UK. Six of the eight most deprived wards in the city are Muslim majority.

PUTTING A STRATEGY IN PLACE

The first phase of Amal's development as an independent charity, from August 2020 to April 2021, focused on building the new Amal Connects strategy; on putting in place the policies and processes Amal needed as a stand-alone organisation; and on raising start-up funding. 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 who, collectively, have the skills and experience Amal needs to grow and support Amal Connects. The team includes a Community Engagement Manager in both Birmingham and Bradford who are rooted in these cities and their Muslim communities.



ACHIEVEMENTS AND PERFORMANCE

CREATING SYSTEMIC CHANGE

Amal Connects is designed to create systemic change by enabling our stakeholders, Muslim communities, Muslim artists and arts and cultural organisations, to grow opportunities for Muslims to fully realise, express and share their creativity, so modelling and growing a community of practice in the arts that fully represents and includes Muslims.

Amal Connects' work is place-based (to build strong relationships, facilitate support to stakeholders and take opportunities to Muslim communities), co-created (to keep Muslim communities always at the centre of everything we do) and in partnership (to maximise our impact by enabling others to deliver work and to collaborate with each other). It has six mutually reinforcing workstreams which were developed sequentially over 2022 but now run in tandem.



1 CONSULTING

Since September 2021

Our Community Engagement Managers reached out to and visited our stakeholders to build trust, identify barriers and themes, and establish interest and potential to grow into deeper engagement with other Amal Connects workstreams. We approached stakeholders with a sense of priority: communities first, Muslim artists second, arts organisations third.

Received warmly by all stakeholders, we have found an appetite for creative engagement. Community groups have been incredibly receptive of Amal, appreciating that we understand their sensitivities. By consulting our stakeholders, we have gained significant learning about the barriers facing Muslims and Muslim communities to creative engagement, Muslim artists to building sustainable careers and arts organisations to working with Muslims.



Our Stories Through Nokshi Kantha, New Hope Global
Image credit: Salsabil Khalifa

WE MET WITH



84 Community groups

to listen and understand what their interests, needs and concerns were

Times Met: 143



75 Artists

to think about how we could help them to support successful and sustainable careers

Times Met: 146



57 Arts organisations

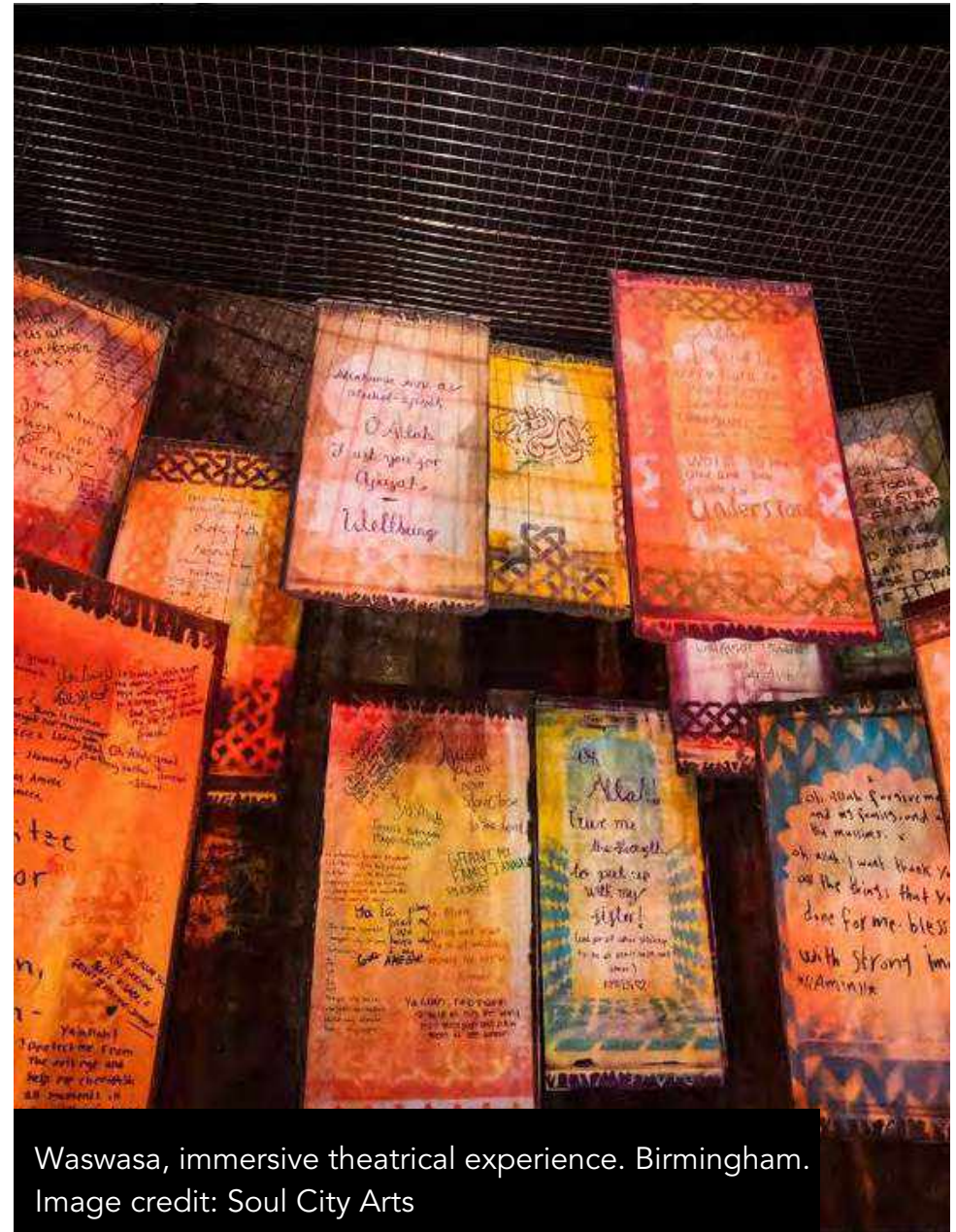
to discuss how we could support them to serve Muslim communities

Times Met: 109

2 CONNECTING Since October 2021

Through our consultations and the learning that comes from them, we are well placed to connect stakeholders to one another. We have offered this support for Amal-related activity and find we are now also routinely asked to make connections for wider arts activities and community building too.

We connected community groups, artists and arts organisations to each other 51 times so they could develop creative work together. For example, we connected Soul City Arts, an arts organisation in Birmingham that delivered a major project for the Commonwealth Games, to Muslim community groups to enable the co-creation part of the project.



Waswasa, immersive theatrical experience. Birmingham.
Image credit: Soul City Arts

3 CREATIVE VISUALISATION

Since October 2021

We provide creative workshops to community groups to give them a better sense of the wide range of opportunities available to them. This also allows us to assess the readiness of artists to work with communities and of community organisations to develop and implement arts projects.

We delivered 29 workshops in the community, working with 17 artists. Two of these workshops have led directly to community groups doing co-created projects.

93% of participants in Bradford and 100% in Birmingham said the activity made them feel positive.

82% of participants in Bradford and 97% in Birmingham said they would like to continue with the activity.

We worked in 12 different wards in our two hubs, among the most deprived in these cities.



Lidget Green Healthy Living Centre
Image credit: Zareena Bano

“

I felt like a scrunched-up leaf
when I arrived and I am leaving
feeling energised and refreshed.
Like a healthy leaf I have
opened up.

Workshop participant

”

“

What I really enjoyed about
this workshop was that the
relationship between the
workshop organisers (Amal) and
the community centre was
already greatly established so it
was extremely comfortable to
facilitate with the ladies. They
seemed to trust me right from
the beginning. The foundations
were laid before my arrival.

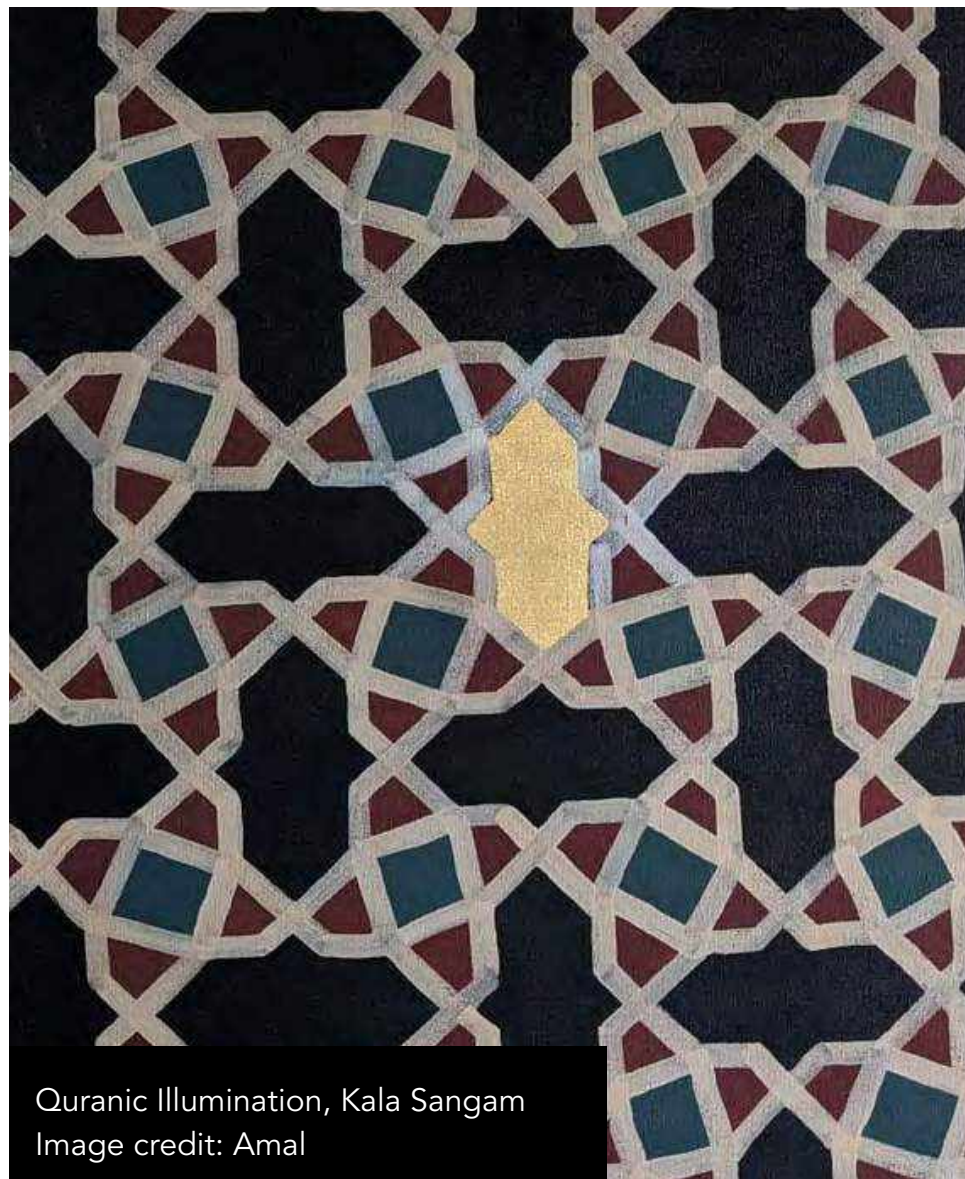
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Workshop creative practitioner

4 CO-CREATED PROJECTS

Applications opened in
February 2022

At the heart of our work, we support and fund high-quality arts and cultural projects co-created with Muslim-majority participants with the involvement of Muslim creative practitioners which also produce opportunities to platform the work created and to run encounter sessions around this platforming that are cross-community. The combination of high-quality and co-creation is hard to achieve so we were delighted to receive 59 expressions of interest.



Quranic Illumination, Kala Sangam
Image credit: Amal



We developed and launched 9 projects and expect to add another 4 early in 2023. We anticipate that 40 artists will work on these projects. We are really pleased that our proactive engagement with communities has delivered a diverse portfolio, including:

In 5 projects the lead partner is an artist (supported by a host organisation), 2 are community organisations, 2 arts organisations.

The main ethnicity of participants in 2 projects is Pakistani, Bangladeshi in 2 and mixed in 5 (including one that is for asylum seekers).

3 of the projects are for women, 1 for men, 5 are mixed.

1 of the projects is dance, 2 music, one each visual art, print and drama and 3 are mixed arts.

2 of the projects are rooted in South Asian heritage forms, one Islamic, 2 "global", 3 mixed and one hybrid.

Each project enables Muslims to express their creativity in ways that matter to them, whether by reconnecting with diverse Muslim artistic traditions from Quranic illumination to Kantha stitching, by creating new hybrid artforms that blend Muslim, British and other heritage forms, by connecting their family heritage with the place they now call home, or by developing skills through performance that give them greater confidence in navigating wider society.

Whatever their creative path, pursuing a common purpose through a shared activity helps to strengthen their own communities and, when they share their work in cross-community encounters, they can also grow their connections with the wider community.



Sight and Sound, Saathi House
Image credit: Salsabil Khalifa

It's so exciting, Ibrahim gets really excited every time he comes, he practices at home and the fact they're performing at Bradford Cathedral, such a prestigious place to perform, it's so good for the community, really good for Bradford. Parent of Nasheed Choir participant

As an artist, if I was to approach other funders I'd have to tell them the story they want to hear and I'd create an application that speaks to that. With Amal, who specialise in funding Muslim creatives, I didn't need to do that because Amal already understands me. Artist

I come from Rochdale to do these sessions every week because there isn't an opportunity like this near me Quranic Illumination participant

5 CAPACITY BUILDING

Since February 2022

“How do you deal with not being heard whilst your work is around enabling other people to be heard?”

Artist, Bradford

She is referencing here the tricky place that the Muslim artist can find themselves in, trying to uplift and empower their own communities though they themselves are not receiving the support and platform that they need to develop and feel valued.

Through our work we have seen the need for capacity building particularly with community groups and artists so we support our partners in co-created projects to develop in their practice (for example, on safeguarding policy and practice; contracting with artists, participants and venues; communications including data protection aspects; and evaluation techniques). With more developed projects, we are beginning to provide support on how projects might become more sustainable over the longer term and scale up in terms of reach and impact.

6

CONVENING

Since October 2022

We convene our stakeholders to share learning and to build a community of practice.

We held two convenings of community organisations in Bradford and Birmingham. Convenings of Muslim artists will take place in early 2023.



Amal Community Groups convening, Birmingham.
Image credit: Amal

OVERALL ACHIEVEMENTS AND PARTNERSHIPS

Overall, the first phase of Amal Connects has been tremendously encouraging, our purpose and mission have been met with great enthusiasm and we have received a lot of positive feedback - from organisations eager to develop new tools for serving their communities, applicants who feel themselves to be understood, artists who feel free to be themselves, arts leaders excited to see the scope and ambition of our co-created projects and participants who are finding their voices with joy. Such is the enthusiasm and demand for our support, however, that we struggle to manage the expectations of those who want support we cannot give (e.g. for one-off events, work that is not co-created with communities, or is outside our hubs).

Key milestones during 2022 in our organisational development included the creation of a radically different website to enable our digital fundraising capabilities and a large collection of new social media campaign collateral, essential prerequisites for building a wider community of supporters;

and the development of strategies for fundraising including a pipeline of potential funders, making some progress with widening our donor base.

In addition to many new programme partners, we were delighted to make new partnerships with other key players in Bradford (with Bradford District Metropolitan Council for the Salteaters project, and The Leap, the local Arts Council England Creative People and Places programme, for several co-created projects). We were also delighted to receive support from the Safera Foundation and Islamic Relief UK.



PLANS FOR FUTURE PERIODS

In 2023 we plan to continue all our workstreams as they all play a part in a mutually reinforcing way in overcoming the challenges to growing opportunities for Muslims to realise and express their creativity. We will be maintaining close links with the 13 co-created projects that began or were developed in 2022 to assist with communications, evaluation and other aspects and look forward to learning more from the experience of their delivery. In the light of our learning so far, we plan also:



Soap Box Bradford, Theatre in the Mill
Image credit: Smart Banda

1

COMMISSIONING

To develop a blended grantmaking/commissioning approach to co-created projects. A grantmaking approach will remain central to our work. We have seen that it motivates artists and organisations to create work that speaks to and from a British Muslim experience that would not happen otherwise, because they do not think they can get it funded (or do not know how) or because (without the kinds of support Amal can provide) it may be seen as too difficult or unfamiliar. But we plan in addition to support some partners to develop their projects into longer-term ones that build sustainability in different ways and to commission work that targets gaps we see arising in our portfolio of co-created work (for example, ensuring that certain themes and concerns voiced by Muslim communities are addressed).

2

CONSULTATION

To make the next phase of our consultation of arts organisations more structured so we can give the sector better evidence of what is needed to become more inclusive and representative of Muslims and see how ready organisations are to work more with Muslims. We will also take learning from this consultation to inform our capacity-building work with arts organisations.

3

CONVENING

To expand our convening work online to enable us to provide a national platform for the themes that emerge from our work.

4

ADVOCACY

To bring together all our learning (from consultation, convening and evaluation), not only to improve our work but to advocate more widely for growing and using creativity to tackle the prejudice and discrimination that makes it harder for Muslims to overcome the structural inequalities they face.

Financial Review

In 2022, Amal raised donations of £327,879 (2021: £550,000) in support of its work. £257,881 (2021: £475,000) of this funding was unrestricted or for core costs; £69,998 (2021: £75,000) was restricted for aspects of the Amal Connects programme. In the previous period Amal also received £65,889 as a restricted grant to meet outstanding grant commitments made by the Saïd Foundation's former Amal Programme, giving total income in the previous period of £615,889. For comparability purposes it is important to note that the 2021 period was a 17-month accounting period.

During the year, total expenditure was £460,601 (2021: £200,154). At the year end, Amal's reserves totalled £283,013 (2021: £415,735), of which £246,491 (2021: £351,579) were unrestricted or for core costs, including funds of £103,000 which have been designated by the Trustees to provide security of funding for the Grant Commitments still to be made from the 2022 grantmaking round (£65,000), and for the development costs of three New Initiatives (£38,000). In the previous period £250,000 was designated to protect the viability of the Amal Connects programme ahead of its first full year of operation in 2022.

Reserves Policy

Amal's reserves policy has been determined by the Trustees and is to hold reserves of at least three to six months' running costs (considered to be all permanent staff costs and non-staff core costs). At the year end, Amal held unrestricted and undesignated reserves of £143,491 (2021: £101,579), representing approximately five months' running costs.

Structure Governance and Management

Constitution

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.

Trustee appointment and training

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 2023 and this growth will be informed by a further 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.

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.



Cyanotype workshop,
Hope Inspired
Image credit: Sophia Moffa

Organisational Structure

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

Projects Committee

A Projects Committee has been established to provide a structured, systematic oversight of Amal's processes and practices for the granting of funds to external parties for the delivery of projects. 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 (Chair) and Sanaz Amidi.

Finance and Audit Committee

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.

Chief Executive

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.

The trustees' annual report was approved on 17 May 2023 and signed on behalf of the Board of Trustees by:

Josh Weinberg
Trustee and Chair of the Finance and Audit Committee

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.

INDEPENDENT EXAMINER'S REPORT

I report to the charity trustees on my examination of the financial statements of the charity for the year ended 31 December 2022 which comprise the statement of financial activities, statement of financial position and the related notes.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 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 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am 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 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 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.

Your attention is drawn to the fact that the Charity has prepared the accounts (financial statements) 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) 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 since 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.

A handwritten signature in black ink, appearing to read 'Wilcox'.

Tom Wilcox
Institute of Chartered Secretaries and Administrators
Independent Examiner

Counterculture Partnership LLP
Unit 115, Ducie House
Ducie Street
Manchester
M1 2JW

17 May 2023

Statement of Financial Activities Year ended 31 December 2022		Year to 31 Dec 22			Period from 17 Aug 20 to 31 Dec 21
	Notes	Unrestricted Funds £	Restricted funds £	Total funds £	Total Funds £
Income and Endowments					
Donations and Legacies	4	257,881	69,998	327,879	615,889
Total Income		257,881	69,998	327,879	615,889
Expenditure					
Raising Funds					
Costs of raising donations and legacies	5	34,870	-	34,870	9,626
Charitable activities	6	328,485	97,246	425,731	190,528
Total expenditure		363,355	97,246	460,601	200,154
Net (expenditure)/income before transfer of funds		(105,474)	(27,248)	(132,722)	415,735
Transfers between funds		386	(386)	-	-
Net movements in funds		(105,088)	(27,634)	(132,722)	415,735
Reconciliation of funds					
Total funds brought forward		351,579	64,156	415,735	-
Total funds carried forward		246,491	36,522	283,013	415,735

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Statement of Financial Position As at 31 December 2022	Notes	2022		2021	
		£	£	£	£
Current Assets					
Debtors	12	142,100		180,487	
Cash at bank and in hand		253,364		263,715	
		395,464		444,202	
Creditors: Amounts falling due within one year	13	(112,451)		(28,467)	
Net Current Assets			283,013		415,735
Total assets less current liabilities			283,013		415,735
Net Assets			283,013		415,735
Funds of the charity					
Restricted Funds			36,522		64,156
Unrestricted Funds			143,491		101,579
Designated Funds			103,000		250,000
Total Charity Funds	15		283,013		415,735

These financial statements were approved by the board of trustees and authorised for issue on 17 May 2023, and are signed on behalf of the board by:

Josh Weinberg
Trustee and Chair of the Finance and Audit Committee

Notes to the financial statements

For the year ended 31 December 2022

These notes form part of the financial statements

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is a charitable incorporated organisation. The address of the principal office is Moseley Exchange, 149-153 Alcester Road, Moseley, Birmingham, B13 8JP.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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 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 issued 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.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements have been prepared in sterling, which is the functional currency of the entity, and rounded to the nearest £.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

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.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Expenditure and irrecoverable VAT

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

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 cash or other consideration expected to be received.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Cash at bank

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Liabilities

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 that it will pay to settle the debt or the amount or amounts it has received as advanced payments for the 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, that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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.

Note 4

Donations and Legacies	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Trusts, Foundations and Other Organisations	257,772	37,722	295,494
Statutory Funders	-	32,000	32,000
Individuals	109	276	385
	257,881	69,998	327,879
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Trusts, Foundations and Other Organisations	475,000	140,889	615,889
Statutory Funders	-	-	-
Individuals	-	-	-
	475,000	140,889	615,889

Note 5

Costs of raising donations and legacies	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Staff costs	33,980	33,980	9,027	9,027
Other costs	890	890	599	599
	34,870	34,870	9,626	9,626

Note 6

Expenditure on charitable activities	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Activities undertaken directly	48,074	31,275	79,349
Grant funding of activities	119,552	60,026	179,578
Core staff costs	125,503	-	125,503
Support costs	35,356	5,945	41,301
	328,485	97,246	425,731
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Activities undertaken directly	13,991	10,844	24,835
Grant funding of activities	-	65,889	65,889
Core staff costs	82,217	-	82,217
Support costs	17,587	-	17,587
	113,795	76,733	190,528

Note 7

Analysis of support costs	2022 £	2021 £
Governance costs	732	5,983
IT equipment, software and support costs	1,372	4,908
Staff recruitment, training and related costs	6,997	4,390
Rent	1,352	-
Insurance	1,476	1,149
Communications and website	23,107	-
Accountancy and professional costs	6,159	629
Other support costs	106	528
Total support costs	41,301	17,587

Note 8

Analysis of Grants

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. Amal committed nine grants (2021: eight grants) during the year to the organisations listed below:

Analysis of grants	Grant Commitments 2022 £	Grant Commitments 2021 £
Organisation		
Arooj Nasheed Choir	25,000	–
Brimero Ltd	25,000	–
New Hope Global	25,000	–
The University of Bradford	22,000	–
Saathi House	19,500	–
Kala Sangam	17,078	10,403
Khayaal Theatre Company	–	16,666
One Of My Kind Ltd	16,000	–
Stand and Be Counted Theatre Ltd	15,000	–
Victoria Park Productions	15,000	–
Greenbelt Festival	–	12,000
Tower Hamlets Schools Library Service	–	10,789
Soul City Arts	–	6,250
Tamasha Theatre	–	4,564
P21 Gallery	–	3,565
Ort Gallery	–	1,652
Total grant commitments	179,578	65,889

Note 9

Independent examination fees	Year to 31 Dec 22 £	Period from 17 Aug 20 to 31 Dec 21 £
Fees payable to the independent examiner for: Independent examination of the financial statements	732	720



Note 10

The total staff costs and employee benefits for the reporting period are analysed as follows:

Staff Costs	Year to 31 Dec 22 £	Period from 17 Aug 20 to 31 Dec 21 £
Wages and salaries	191,578	98,133
Social security costs	16,914	6,679
Employer contributions to pension plans	17,128	9,691
	225,620	114,503

The average head count of employees during the year was 5 (2021: 2).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Key Management Personnel

The charity's key management personnel comprised the Chief Executive Officer and Director of Fundraising.

The total remuneration of key management personnel during the period was £107,848 (2021: £52,343).

Note 11

Trustee remuneration and expenses

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 either the current or previous period.

Note 12

Debtors	2022 £	2021 £
Grant funding receivable	142,100	180,487

Note 13

Creditors: Amounts falling due within one year	2022 £	2021 £
Accruals	8,567	751
Legacy grant commitments payable	11,451	26,181
Grant commitments payable	84,578	–
Other creditors	7,855	1,535
	112,451	28,467

Note 14 - Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £17,128 (2021: £9,691).

Note 15 - Analysis of charitable funds

Unrestricted funds	At 1 Jan 2022 £	Income £	Expenditure £	Transfers £	At 31 Dec 2022 £
General funds	101,579	257,881	(363,355)	147,386	143,491
Designated Funds - Amal Connects	250,000	–	–	(250,000)	–
Designated Funds - Grant Commitments	–	–	–	65,000	65,000
Designated Funds - New Initiatives	–	–	–	38,000	38,000
	351,579	257,881	(363,355)	386	246,491
	At 17 Aug 2020 £	Income £	Expenditure £	Transfers £	At 31 Dec 2021 £
General funds	–	475,000	(123,421)	(250,000)	101,579
Designated Funds - Amal Connects	–	–	–	250,000	250,000
	–	475,000	(123,421)	–	351,579

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 2021, the Trustees agreed to designate £250,000 to provide security of funding for the Amal Connects programme in Birmingham and Bradford. All the different workstreams of this programme were developed and implemented during 2022.

During the year, the trustees agreed to designate £65,000 to provide security of funding for the Grant Commitments still to be made from the 2022 grantmaking round.

They also agreed to designate £38,000 to provide security of funding for the development costs of three New Initiatives, Amal Convenes, Amal Consults and a first project commission.

Note 15 - Analysis of charitable funds (continued)

Restricted funds	At 1 Jan 2022 £	Income £	Expenditure £	Transfers £	At 31 Dec 2022 £
Said Foundation	-	-	-	-	-
Paul Hamlyn Foundation	64,156	-	(53,775)	(386)	9,995
The Leap	-	25,000	(21,600)	-	3,400
Esmée Fairbairn Foundation	-	7,722	(5,945)	-	1,777
Bradford DM Council	-	7,000	(4,900)	-	2,100
LaunchGood, KS	-	276	(276)	-	-
Islamic Relief	-	30,000	(10,750)	-	19,250
	64,156	69,998	(97,246)	(386)	36,522

The Said Foundation. This is only permitted to be spent on the legacy grants inherited by Amal from the Foundation.

Paul Hamlyn Foundation. This is only permitted to be spent on Amal Connects, and funds the salary of a Community Engagement Manager and co-created projects in Amal's hub locations. The transfer represents expenditure incurred in the previous year incorrectly allocated to unrestricted funds.

The Leap. This is only permitted to be spent on co-created projects in Bradford.

Esmée Fairbairn Foundation. This is only permitted to be spent on consultancy to identify a CRM system suitable for Amal's needs and some support for its set up

Bradford District Metropolitan Council. This is only permitted to be spent on the Salt Eaters co-created project in Bradford.

LaunchGood. This is only permitted to be spent on the Quranic Illumination co-created project in Bradford.

Islamic Relief UK. This is only permitted to be spent on the Kantha Stitching co-created project in Birmingham.

Restricted funds	At 17 Aug 2020 £	Income £	Expenditure £	Transfers £	At 31 Dec 2021 £
Said Foundation	-	65,889	(65,889)	-	-
Paul Hamlyn Foundation	-	75,000	(10,844)	-	64,156
The Leap					
Esmée Fairbairn Foundation	-	-	-	-	-
Bradford DM Council	-	-	-	-	-
LaunchGood, KS	-	-	-	-	-
Islamic Relief	-	-	-	-	-
	-	140,889	(76,733)	-	64,156

Note 16 - Analysis of net assets between funds

Year ended 31 December 2022	Unrestricted Funds £	Restricted Funds £	Total Funds £ 2022
Net current assets	246,491	36,522	283,013

Period ended 31 December 2021	Unrestricted Funds £	Restricted Funds £	Total Funds £ 2021
Net current assets	351,579	64,156	415,735

Note 17 - Contingencies

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. At the beginning of 2022, £525,000 was still available from the Saïd Foundation if matched. During the year £42,772 was received from Saïd Foundation in new matching and £200,000 of the contingent asset was released without matching. At the year end £282,228 remained, representing a contingent asset which must be matched during 2023 in order to be recognised.

Note 18 - 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 £242,772 (2021: £275,000) of funding to Amal. A balance of £100,000 (2021: £80,477) of this total remained unpaid at the year end and has been carried forward as a debtor. An additional amount of £65,889 was donated by the Saïd Foundation in the previous period to meet the commitments of the Foundation's Amal Programme, which had not been fulfilled at the time of their transfer to Amal on 1 May 2021.

Among the legacy grants inherited from the Saïd Foundation was a grant of £16,666 to Khayaal Theatre Company (registered charity number 1100005). At the year-end, £Nil (2021: £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 an 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.



Note 19

Comparative Statement of Financial Activities		Period from 17 Aug 20 to 31 Dec 21		
Income and endowments	Note	Unrestricted funds £	Restricted funds £	Total Funds £
Donations and legacies	4	475,000	140,889	615,889
Total Income		475,000	140,889	615,889
Expenditure				
Raising funds				
Costs of raising donations and legacies	5	9,626	-	9,626
Charitable activities	6	113,795	76,733	190,528
Total expenditure		123,421	76,733	200,154
Net income before transfer of funds		351,579	64,156	415,735
Transfers between funds		-	-	-
Net movement in funds		351,579	64,156	415,735
Reconciliation of funds				
Total funds brought forward		-	-	-
Total funds carried forward		351,579	64,156	415,735