

MOP FOUNDATION
TRUSTEES REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017

MOP FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs V Soleymani Mrs S Elghanyan Ms S Elghanian-Krayem Mrs S Khodadoost Mrs S Amanullah Ameri S Oyvessi N Ansary	(Appointed 23 November 2017) (Appointed 23 November 2017)
Charity number	1104066	
Principal address	16A Lowndes Square London United Kingdom SW1X 9HB	
Independent examiner	Baldwins (Shrewsbury) Limited Column House London Road Shrewsbury Shropshire SY2 6NN	
Bankers	Natwest Bank PO Box 6037 186 Brompton Road Knightsbridge London SW3 1HQ	
Solicitors	Portrait 1 Chancery Lane London WC2A 1LF	

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TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees present their report and financial statements for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are:

- To advance the education of the public in the knowledge and understanding of Persian culture and:
- For the benefit of such other charitable purposes or charitable institutions in any part of the world

The policy of the charity continues to be to seek finance and support to continue its operation for the public benefit and there has been no change in these during the year.

The trustees have paid due regard to the public benefit guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Throughout 2017, the charity has organised a number of cultural events, including a VIP dinner and fundraising art auction in Los Angeles, a VIP dinner and fundraising art auction in Monaco, talks at the British Museum, and artist residencies and scholarships. This will continue in the future as the trustees continue to explore and cultivate other artistic disciplines.

Achievements and performance

The trustees consider that the performance of the charity this year has been satisfactory and continue to seek financial support to enable it to continue its operation.

The majority of income for the charity is this year generated through art auctions, held on a yearly basis, of artwork generously donated by established and emerging Iranian and international artists. Held in the UK, US and Europe, the success of these fundraising events relies entirely on the participation and support of artists and patrons alike.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. At the year end the charity's own reserves were not sufficient to meet this policy however financial support will be provided by The Friends of MOP Foundation should the need arise.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. Controls, financial and non-financial, have been implemented to ensure compliance at all levels. The trustees believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

Plans for the future

The charity plans to continue to promote and advance the education of the public in the knowledge and understanding of Persian culture.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust dated 17th May 2004 and constitutes an unincorporated charity.

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TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees who served during the year were:

Mrs V Soleymani

Mrs S Elghanyan

Ms S Elghanian-Krayem

Mrs S Khodadoost

Mrs S Amanullah Ameri

S Oyvessi

(Appointed 23 November 2017)

N Ansary

(Appointed 23 November 2017)

Appointment of trustees is governed by the trust deed of charity. The board of trustees is authorised to appoint new trustees to fill any vacancies arising through resignation or death of an existing trustee.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

The charity is governed by a board of trustees who meet twice a year. The charity also has a committee which meets at least every two months to manage its affairs, Ms S Elghanian-Krayem is the trustee who manages the day to day administration of the charity.

The trustees report was approved by the Board of Trustees.

Ms S Elghanian-Krayem

Trustee

Dated: 25 January 2019

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MOP FOUNDATION

I report on the financial statements of the charity for the year ended 31 December 2017, which are set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants in England & Wales.

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by 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 now been withdrawn.

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

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements and to comply with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or

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INDEPENDENT EXAMINER'S REPORT (CONTINUED) TO THE TRUSTEES OF MOP FOUNDATION

- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Dawn Owen BA(Hons) FCA
Baldwins (Shrewsbury) Limited

qualified member of the Institute of Chartered Accountants in England & Wales
Column House
London Road
Shrewsbury
Shropshire
SY2 6NN

Dated:

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
		£	£
<u>Income from:</u>			
Donations and legacies	3	41,141	43,331
Charitable activities	4	270,946	187,786
		<hr/>	<hr/>
Total income		312,087	231,117
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Raising funds	5	83,262	116,758
		<hr/>	<hr/>
Increasing awareness of Persian culture	6	111,262	101,202
		<hr/>	<hr/>
Total resources expended		194,524	217,960
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		117,563	13,157
		<hr/>	<hr/>
Fund balances at 1 January 2017		34,530	21,373
		<hr/>	<hr/>
Fund balances at 31 December 2017		152,093	34,530
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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BALANCE SHEET

AS AT 31 DECEMBER 2017

		2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,313		1,589
Current assets					
Cash at bank and in hand		155,347		37,584	
Creditors: amounts falling due within one year	13				
		(4,567)		(4,643)	
Net current assets			150,780		32,941
Total assets less current liabilities			152,093		34,530
Income funds					
Unrestricted funds			152,093		34,530
			152,093		34,530

The accounts were approved by the Trustees on 25 January 2019

Ms S Elghanian-Krayem
Trustee

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Charity information

MOP Foundation is a registered charity.

1.1 Accounting convention

The financial statements have been prepared in accordance 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts. The charity has the continued financial support provided by The Friends of MOP Foundation.

1.3 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.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classed under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the year end are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	25% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Foreign exchange

Transactions denominated in foreign currencies are recorded at the average rate of exchange for the period.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

3 Donations and legacies

	2017 £	2016 £
Donations and gifts	41,141	43,331

4 Charitable activities

	Auction £	Others £	Total 2017 £	Total 2016 £
Income from charitable activities	270,440	506	270,946	187,786

5 Raising funds

	2017 £	2016 £
<u>Fundraising and publicity</u>		
Travelling, fares and entertaining	7,510	13,655
Event costs	75,752	103,103
Fundraising and publicity	83,262	116,758
	83,262	116,758
For the year ended 31 December 2016		
Fundraising and publicity		116,758

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

6 Increasing awareness of Persian culture

	2017 £	2016 £
Staff costs	40,772	43,367
Depreciation and impairment	456	334
Donations made	47,716	4,988
Sundry expenses	1,643	974
Bank charges	809	1,139
Computer and telephone costs	5,028	7,275
Foreign exchange movements	(654)	2,595
	<u>95,770</u>	<u>60,672</u>
Grant funding of activities (see note 7)	6,026	23,198
Share of governance costs (see note 8)	9,466	17,332
	<u>111,262</u>	<u>101,202</u>
Analysis by fund		
Unrestricted funds	<u>111,262</u>	
	<u>111,262</u>	
For the year ended 31 December 2016		
Unrestricted funds		<u>101,202</u>
		<u>101,202</u>

7 Grants payable

	2017 £	2016 £
Grants to institutions:		
The London Film School	-	5,039
The Whitechapel Gallery	-	-
Goldsmiths College	5,600	14,400
Essex University	-	3,759
Other Institutions	426	-
	<u>6,026</u>	<u>23,198</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8 Support costs

	Support costs £	Governance costs £	2017 £	2016 £
Legal and professional	-	7,642	7,642	15,060
Accountancy	-	1,824	1,824	2,272
	<u>-</u>	<u>9,466</u>	<u>9,466</u>	<u>17,332</u>
Analysed between Charitable activities	-	9,466	9,466	17,332
	<u>-</u>	<u>9,466</u>	<u>9,466</u>	<u>17,332</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. There were no trustees expenses paid for the year ended 31 December 2017 nor for the year ended 31 December 2016.

During the year one of the trustees personally funded charity expenses of £Nil (2016 £3,280). At the year end £Nil (2016 £1,590) was owed to her in this regard.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2017 Number	2016 Number
Management and administration	2	2
	<u>2</u>	<u>2</u>

Employment costs

	2017 £	2016 £
Wages and salaries	38,985	41,895
Social security costs	697	559
Other pension costs	1,090	913
	<u>40,772</u>	<u>43,367</u>

There were no employees whose annual remuneration was £60,000 or more.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

11 Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2017	5,775
Additions	180
	<hr/>
At 31 December 2017	5,955
	<hr/>
Depreciation and impairment	
At 1 January 2017	4,186
Depreciation charged in the year	456
	<hr/>
At 31 December 2017	4,642
	<hr/>
Carrying amount	
At 31 December 2017	1,313
	<hr/>
At 31 December 2016	1,589
	<hr/>

12 Financial instruments	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	155,347	37,584
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	4,187	3,704
	<hr/>	<hr/>

Financial assets measured at amortised cost consists of cash in hand and at bank.

Financial liabilities measured at amortised cost consists of other creditors.

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	380	939
Other creditors	4,187	3,704
	<hr/>	<hr/>
	4,567	4,643
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

14 Analysis of net assets between funds

	2017	Total
	£	2016
		£
Fund balances at 31 December 2017 are represented by:		
Tangible assets	1,313	1,589
Current assets/(liabilities)	150,780	32,941
	<u>152,093</u>	<u>34,530</u>
	<u><u>152,093</u></u>	<u><u>34,530</u></u>

The general fund is retained funds for the on-going existence of the charity, on which there are no restrictions beyond the objects of the charity.

15 Related party transactions

No remuneration was paid to key management personnel in the 2016 and 2017 financial years.

Details of transactions with one of the Trustees can be found in note 9.

16 Ultimate controlling party

The charity is controlled by the board of trustees.