

**Elrahma Charity Trust**  
(formerly Charity Islamic Trust Elrahma)

**Annual report and financial statements**

for the year ended 31 December 2016

Charity Registration Number 1026927

# **Elrahma Charity Trust**

## **Annual report and financial statements for the year ended 31 December 2016**

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# Elrahma Charity Trust

## REFERENCE AND ADMINISTRATIVE DETAILS

<b>Trustees</b>	Mr. Abubaker Megerisi Mr. Omar Megerisi Mr. Hazem Megerisi Mr. Otman Megerisi Mr. Patrick D Daniels Mr. Mohamed Megerisi Mr. Ali Abubaker Megerisi Mr. Ahmed Tarek Megerisi	(Chairman)
<b>Auditors</b>	haysmacintyre 26 Red Lion Square London WC1R 4AG	
<b>Bankers</b>	National Westminster Bank PLC Piccadilly & New Bond Street (A) Branch 63-65 Piccadilly London W1J 0AJ	
<b>Solicitors</b>	Brecher 4 <sup>th</sup> Floor 64 North Row London W1K 7DA	
<b>Registered Office</b>	Suite 201 Stanmore Business & Innovation Centre Stanmore Place Howard Road Stanmore HA7 1BT	

# **Elrahma Charity Trust**

## **Report of the Trustees for the year ended 31 December 2016**

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2016. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Trust Deed, 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 on 16 July 2014.

### **OBJECTIVES AND ACTIVITIES**

The Objects for which Elrahma Charity Trust is established are "the relief of poverty and advancement of education and religion in the Muslim Community, to assist the poor and orphans of the Islamic religion, to erect or help to erect schools, charitable institutions, mosques, orphanages and nurseries for the Islamic Community in the United Kingdom and abroad. Priority is given to such charitable works as may be conducive to or as shall further the relief of poverty and suffering among Muslims.

### **Grant making policy**

The Charity provides donations and grants to individuals and other charitable organisations in accordance with its objects. Applications for educational grants are received by the Charity and reviewed by the trustees. Awards are made to applicants who meet the specific criteria.

In the year the charity has followed policies of providing financial assistance to only those organisations in the United Kingdom and abroad whose aims and objectives were similar to its own and were actively engaged in achieving these objectives.

The charity provides financial assistance to only those organisations with bona-fide registered charitable status. The charitable institutions seeking financial assistance are required to submit in support of their application, their constitution in the form of a Trust Deed, Memorandum and Articles of Association of a Limited Company with charitable objectives and registered as such as a charity.

Financial assistance/grants are awarded only to full time students studying in an internationally recognised university and their application must be accompanied by references and recommendations from former and present educational institutions. Applications from only those students are considered who have achieved exceptionally good results in their previous academic qualifications and are expected to produce good results in their future studies.

### **Investment properties**

The following properties are held as investments:

25 and 26 Lovat Lane, London EC3, is let to London Institute of Finance and Banking.

11 to 35 St. John's Street, London EC1, is let to WPP Group Limited

In October 2016 an independent valuation of the freehold investment properties has been undertaken by Ms Emma Bailey MRICS of Cushman & Wakefield LLP. This has resulted in an increase in the value at which the properties are held to £32,700,000.

### **Programme Related Investments**

In line with its overall objectives the Charity has for some years owned properties which it provides to other charities for them to operate as places of worship. A further property has been acquired for this purpose during the year and given the increase in this aspect of its activities the properties concerned have been separately identified as Programme Related Investments in the accounts.

# **Elrahma Charity Trust**

## **Report of the Trustees for the year ended 31 December 2016 (continued)**

### **Functional properties**

No. 3 The Avenue, London, was until recently used for the offices for the Charity. This site together with 5-7 The Avenue, London was sold in the year.

The Charity is currently operating from serviced offices in Stanmore.

### **Satisfying the public benefit clause**

Details of the main activities undertaken to further the charity's purposes for the public benefit are described above under grant-making and below under Achievements and Performance.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives, in planning its future activities and in setting its grant making policy.

### **ACHIEVEMENTS AND PERFORMANCE**

The audited accounts for the year ended 31 December 2016 have been prepared and accompany this report. The Trustees are pleased and satisfied that the charity has achieved its objectives in accordance with its constitution and hopefully will continue to use its funds to achieve the similar objectives in the future.

The total number of donations made to charitable organisations and overseas institutions was 9 and the total value of these donations was £309,321. The total number of students who received educational grants was 17 and the total amount of grants awarded to these students was £110,339. The financial relief to poor families amounted to £63,800.

The organisations benefiting from the charitable donations in the United Kingdom and abroad were involved in running schools, mosques, adult education classes, orphanages, nurseries, sponsorship of orphans, students, poor families and provision of humanitarian aid.

### **FINANCIAL REVIEW**

The income for the year ended 31 December 2016 was £17,014,888 (2015: £1,189,617) of which £15,803,168 related to the gain on sale of property. The cost of charitable activities, excluding governance costs, was £753,478 (2015: £988,044). The Governance costs amounted to £8,280 (2015: £7,140). The operating surplus for this period was £16,253,130 (2015: £194,433) and at the year end, the aggregate value of the funds was £57,966,991 (2015: £41,713,861).

Virtually all of the Charity's income is generated from the letting of its investment properties.

### **Investment strategy, powers and performance**

The powers of the Trustees, including the powers of investment, are set out in the Trust Deed. These include investment in freehold and leasehold properties (more than 60 years) and also in approved investment funds.

The Trustees seek to invest in properties in sought after locations which they consider offer a satisfactory return both in terms of income and prospective capital appreciation in the long term, without assuming an undue degree of risk. The income is used to make charitable donations and to meet the cost of maintaining the charity. The requirement that a property offers prospects of capital appreciation is intended to ensure that the charity maintains sufficient capital, in the form of income-producing property, to be able to meet its commitments in the future.

# Elrahma Charity Trust

## Report of the Trustees for the year ended 31 December 2016 (continued)

The trustees are satisfied with the performance of the investments given the level of occupancy in the year.

### Reserves policy

The assets that make up the charity's funds are unrestricted and accordingly they are also available as the general reserves. In addition to careful planning of the cash flow, so as to meet both grant commitments payable in the year and the administration expenditure from the agreed budget, the charity maintains a cash reserve to cover anticipated grant and other future commitments in the current and forthcoming financial years. With the sale of the charity's freehold property completed in 2016, the Trustees are considering opportunities to invest excess cash in order to generate future financial returns to further the charitable objectives and increase available annual grants.

The Trustees continue to monitor the reserves in line with the future plans of the charity.

### Key performance indicators

Given the straightforward nature of the activities of the charity, the trustees are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### Risk Management

The Trustees consider the major risks to which the organisation may be exposed at their meetings and consider the likelihood and impact of all significant risks. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year and the Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the charity are as follows:

<b>Risk identified</b>	<b>Action taken to mitigate the risk</b>
Shortfall on receipt of property income.	The Trustees put emphasis on the quality of tenant covenants. In addition the charity has substantial reserves which would provide cover for activities should there be a shortfall.
Reputational risk arising from charitable activities.	The Trustees maintain a close involvement in the charity's day to day activities and donations. In addition procedures and controls are regularly reviewed.
Reduction in applications received for charitable help.	A marketing plan for the Charity is under consideration.

# **Elrahma Charity Trust**

## **Report of the Trustees for the year ended 31 December 2016 (continued)**

### **PLANS FOR FUTURE PERIODS**

The trustees will continue to take steps to maximise income from investments by seeking higher level of occupancy on its freehold investment properties. In addition further investments in investment property are planned.

The trustees provide properties for the use of other charities. Should the opportunity arise further programme related investments will be made.

Following the sale of the property in the year the Trustees are actively reviewing how to reinvest the funds generated to increase the income of the charity.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Elrahma Charity Trust was registered as a charity with the Charity Commissioners (Registration number 1026927) under a Trust Deed executed on 27 September 1993.

The Trustees, all of whom held office during the year ended 31 December 2016 and up to date of this report were:

Mr Abubaker Megerisi (Chairman)  
Mr Omar Megerisi  
Mr Otman Megerisi  
Mr Hazem Megerisi  
Mr Patrick D Daniels  
Mr. Mohamed Megerisi  
Mr. Ali Abubaker Megerisi  
Mr. Ahmed Tarek Megerisi

The first five trustees are the founder members of the Trust since its declaration on 27 September 1993. The Trust Deed requires a minimum of three trustees and gives the trustees power over the appointment of further trustees. In selecting further persons to be appointed as trustees, the trustees are required to take into account the benefits of appointing a person who is able by virtue of his or her personal or professional qualifications to make a contribution to the pursuit of the objects or the management of the Charity.

The governing body of the Charity is the Board of Trustees, which comprises eight members and meets at least twice a year to review the performance of the Charity. The Board of Trustees has set up a Committee of two trustees including the Chairman of the Board. It meets on a regular basis and is actively involved in supervising the Charity's administrative and financial affairs and also makes day to day management decisions. It approves educational grants to Muslim students and funding to the Islamic institutions.

New Trustees undergo an induction process which includes a briefing session and meetings with other trustees. An induction pack is given to new Trustees and additional opportunities to attend external meetings and conferences are offered and encouraged. Ongoing training needs are assessed and met.

# **Elrahma Charity Trust**

## **Report of the Trustees for the year ended 31 December 2016 (continued)**

### **Remuneration of key management personnel**

The remuneration of all employees is set by the Trustees. All key management decisions are taken by the Trustees who are not remunerated. Were the Trustees to delegate control over this area it would result in an increase in remuneration which they do not see as necessary at present.

### **Statement of trustees' responsibilities**

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and with the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Information provided to auditors**

With regard to the preparation of this Annual Report and Financial Statements, so far as each trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### **Auditors**

A resolution to reappoint haysmacintyre as auditors to the charity will be proposed at a future trustees' meeting.

By order of the Trustees:

Abubaker Megerisi  
Trustee

28 October 2017



# **Elrahma Charity Trust**

## **Independent auditors' report to the trustees of Elrahma Charity Trust**

We have audited the financial statements of Elrahma Charity Trust for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016, and of its net movement in funds, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

# **Elrahma Charity Trust**

## **Independent auditors' report to the trustees of Elrahma Charity Trust (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

haysmacintyre  
Chartered Accountants  
Registered Auditors  
26 Red Lion Square  
London WC1R 4AG

31 October 2017

# Elrahma Charity Trust

## Statement of financial activities for the year ended 31 December 2016

	Note	2016 £	2015 £
<b>Income from:</b>			
Investments	2	1,211,470	1,189,617
Donations		250	-
Other - gain on sale of property		15,803,168	-
<b>Total Income</b>		<b>17,014,888</b>	1,189,617
<b>Expenditure on:</b>			
Charitable activities	3, 4 & 5	761,758	995,184
<b>Total expenditure</b>		<b>761,758</b>	995,184
<b>Net income before gains on investments</b>		<b>16,253,130</b>	194,433
Net gains on investments		-	17,034,600
<b>Net income/movement in funds</b>		<b>16,253,130</b>	17,229,033
<b>Reconciliation of funds:</b>			
<b>Balance brought forward at 1st January 2016</b>		<b>41,713,861</b>	24,484,828
<b>Balance carried forward at 31 December 2016</b>		<b>57,966,991</b>	41,713,861

All funds in both years are unrestricted.

All the above results are derived from continuing activities.

All gains and losses recognised in the year are included above and therefore no separate statement of total recognised gains and losses has been presented.

*The accompanying notes form part of these financial statements*

# Elrahma Charity Trust

## Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible fixed assets	6	1,721	1,870,820
Investment properties	7	32,700,000	32,700,000
Programme related investments	8	3,363,363	3,363,363
		<b>36,065,084</b>	37,934,183
<b>Current assets</b>			
Debtors	9	382,428	334,069
Cash at bank and in hand		21,887,711	3,805,629
		<b>22,270,139</b>	4,139,698
<b>Current liabilities</b>			
Creditors: amounts falling within one year	10(a)	(294,307)	(286,095)
<b>Net current assets</b>			
		<b>21,975,832</b>	3,853,603
Creditors: amounts falling due after more than one year	10(b)	(73,925)	(73,925)
<b>Net assets</b>			
		<b>57,966,991</b>	41,713,861
<b>The funds of the charity:</b>			
<b>Unrestricted funds</b>	11	<b>57,966,991</b>	41,713,861

The financial statements were approved and authorised for issue by the Board of Trustees and were signed on their behalf by:

Abubaker Megerisi  
Trustee

Othman Megerisi  
Trustee

28 October 2017

*The accompanying notes form part of the financial statements*

# Elrahma Charity Trust

## Statement of Cash Flows

	2016	2015
	£	£
<b>Cash flows from operating activities:</b>		
<i>Net cash (used in) operating activities (see below)</i>	<b>(798,145)</b>	(941,001)
<b>Cash flows from investing activities:</b>		
Rents from investments	<b>1,211,470</b>	1,189,617
Sale of investment property	<b>17,670,541</b>	-
Purchase of fixed assets	<b>(1,784)</b>	(300,220)
<b><i>Net cash provided by investing activities</i></b>	<b>18,880,227</b>	889,397
 <b><i>Change in cash and cash equivalents in the year</i></b>	 <b>18,082,082</b>	 (51,604)
<b><i>Cash and cash equivalents at the start of the year</i></b>	<b>3,805,629</b>	3,857,233
<b><i>Cash and cash equivalents at the end of the year</i></b>	<b>21,887,711</b>	3,805,629

### RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

<b><i>Net income for the year (as per the Statement of Financial Activities)</i></b>	<b>16,253,130</b>	194,433
<b>Adjustments for:</b>		
Depreciation charges	<b>574</b>	46,123
Assets written off	<b>2,936</b>	-
Rents from investments	<b>(1,211,470)</b>	(1,189,617)
Sale of investment property	<b>(15,803,168)</b>	-
(Increase)/decrease in debtors	<b>(48,359)</b>	41,102
Increase/(decrease) in creditors	<b>8,212</b>	(33,042)
<b><i>Net cash (used in) operating activities</i></b>	<b>(798,145)</b>	(941,001)

# **Elrahma Charity Trust**

## **Notes to the accounts For the year ended 31 December 2016**

### **1 Accounting policies**

#### **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 to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Elrahma Charity Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Tangible fixed assets**

The cost of tangible fixed assets, other than investment properties, is their purchase cost, together with any incidental expenses of acquisition. All tangible assets costing more than £100 are capitalised, and any item costing less than this is written off as expenditure. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned on a reducing balance basis:

Office Equipment	25% per annum
Fixtures and fittings	25% per annum
Freehold buildings	2% per annum

Freehold land is not depreciated.

#### **Investment properties**

The Investment Properties are held at fair value. No depreciation is charged and movements in valuation are taken to the Statement of Financial Activities. The most recent independent valuation of the freehold investment properties was undertaken in October 2016 by Ms Emma Bailey MRICS of Cushman & Wakefield LLP.

#### **Programme related investments**

Programme related investments are those assets that are used for charitable purposes and not for financial return. These assets are valued at original cost.

#### **Exchange differences**

Monetary assets and liabilities have been translated into sterling at the rates of exchange ruling at the year end. All other foreign exchange differences are taken to the Summary of Financial Activities in the year in which they arise.

#### **Income recognition**

The charity recognises income when all of the following criteria are met: the charity has entitlement to the funds and any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

# Elrahma Charity Trust

## Notes to the accounts For the year ended 31 December 2016

### 1 Accounting policies (continued)

Where income has related expenditure (as with fundraising or similar income), the income and related expenditure are reported gross in the Statement of Financial activities.

Investment income mainly represents rentals receivable from tenants occupying the investment properties and is accounted for on accruals basis. Interest on deposit funds held is included when receivable and the amount can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received or dividend is due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

Donations comprise amounts received during the year. Gifts provided in kind are valued based on cost information provided by the donor, if not available then an estimate is made of current value in use of the asset.

#### Irrecoverable value added tax (VAT)

The charity is not registered for VAT and therefore, it cannot recover VAT it pays on acquisition of goods and services. Irrecoverable VAT forms part of the charity's overall expenditure and is either accounted for with the expenditure to which it relates or is capitalised within tangible fixed assets.

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

Charitable activities represents donations paid by the Trust during the year and the cost of services provided by some staff members to the El Farouq Foundation.

Support costs represent the cost of running the charity and typically include the cost of the finance function, office facilities and information technology costs, legal and professional fees and bank charges.

Certain expenditure is apportioned to cost categories based on the amount attributable to that activity in the year. These estimates are based upon staff time. An analysis of direct charitable expenditure is available in note 3.

Governance costs are those costs associated with strategic as oppose to Charity's management and administration costs. These include such items as external audit, legal advice and costs associated with compliance of constitutional and statutory requirements.

#### Fund Accounting

##### Unrestricted funds

Funds are available to spend on activities that further any of the purposes of the charity.

##### Designated Funds

Funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose.

#### Debtors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

# Elrahma Charity Trust

## Notes to the accounts

### For the year ended 31 December 2016 (continued)

#### 1 Accounting policies (continued)

##### Cash at bank

Cash at bank and in hand includes bank accounts, 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.

##### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### Estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

##### Financial Instruments

The Charity only has basic 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.

#### 2. Investment Income

	2016	2015
	£	£
Rental income	1,172,987	1,172,839
Interest receivable	38,483	16,778
	1,211,470	1,189,617

#### 3. Charitable activities

	2016	2015
	£	£
Donations	483,460	684,306
Donations in kind (Note 11)	19,201	18,216
Staff Salaries (Note 11)	19,201	18,216
	521,862	720,738

Included in donations are educational grants to 17 individuals totalling £110,339 (2015: 20 individuals received £134,464)



# Elrahma Charity Trust

## Notes to the accounts For the year ended 31 December 2016 (continued)

### 4. Support costs

	2016	2015
	£	£
Wages & salaries (Note 11)	<b>93,792</b>	95,042
Bank charges	<b>1,543</b>	966
Legal & professional fees	<b>54,121</b>	53,940
Rent	<b>7,467</b>	-
General and water rates	<b>2,224</b>	4,081
Travel	<b>551</b>	3,469
Insurance	<b>44,263</b>	44,490
Communications	<b>2,537</b>	2,481
Electricity and gas	<b>7,071</b>	11,128
Depreciation	<b>574</b>	46,123
Assets written off	<b>2,936</b>	-
Maintenance	<b>13,700</b>	5,378
Stationery, postage and printing	<b>837</b>	208
	<b>231,616</b>	267,306

### 5. Governance Costs

	2016	2015
	£	£
Audit Fee	<b>8,280</b>	7,140

# Elrahma Charity Trust

## Notes to the accounts For the year ended 31 December 2016 (continued)

### 6. Tangible fixed assets

	Freehold Land and Buildings	Office Equipment	Fixtures and Fittings	Total
	£	£	£	£
<b>Cost/Valuation</b>				
At 1 January 2016	2,130,870	21,610	32,511	2,184,991
Additions during the year	-	1,784	-	1,784
Disposal	(2,130,870)	(21,610)	(32,000)	(2,184,480)
<b>At 31 December 2016</b>	<b>-</b>	<b>1,784</b>	<b>511</b>	<b>2,295</b>
<b>Accumulated Depreciation</b>				
At 1st January 2016	263,497	21,054	29,620	314,171
Charge for year	-	446	128	574
Disposals	(263,497)	(21,054)	(29,620)	(314,171)
<b>At 31 December 2016</b>	<b>-</b>	<b>446</b>	<b>128</b>	<b>574</b>
<b>Net Book Value</b>				
<b>At 31 December 2016</b>	<b>-</b>	<b>1,338</b>	<b>383</b>	<b>1,721</b>
At 31 December 2015	1,867,373	556	2,891	1,870,820

# Elrahma Charity Trust

## Notes to the accounts For the year ended 31 December 2016 (continued)

### 7. Freehold Investment Properties

	2016	2015
	£	£
<b>Valuation</b>		
At 1 January 2016	32,700,000	15,665,400
Gain on revaluation	-	17,034,600
<b>At 31 December 2016</b>	<b>32,700,000</b>	<b>32,700,000</b>

As mentioned in note 1 investment properties were re-valued on an open market basis in October 2016. The trustees are of the opinion that the valuation carried out in October 2016 is not materially different from the value as at 31 December 2016.

The Legacy Trust Company Limited acts as a nominee company to hold titles to the properties as bare trustees for and on behalf of the beneficiaries whose names appear against each such property.

### 8. Programme related investments

	2016	2015
	£	£
<b>As at 1 January and 31 December 2016</b>	<b>3,363,363</b>	3,363,363

The above relates to properties held by the charity that are used entirely for charitable purposes.

### 9 Debtors: amount falling due within one year

	2016	2015
	£	£
Rent receivable	354,953	310,583
Other debtors and prepayments	27,475	23,486
	<b>382,428</b>	334,069

# Elrahma Charity Trust

## Notes to the accounts

### For the year ended 31 December 2016 (continued)

#### 10(a) Creditors: amounts falling due within one year

	2016	2015
	£	£
Deferred income	269,457	268,601
Accruals	21,860	14,502
Other tax and social security	2,990	2,992
	<b>294,307</b>	286,095

	2016	2015
	£	£
Deferred income at 1 January 2016	268,601	269,822
Received/(released) in year	856	(1,221)
<b>Deferred income at 31 December 2016</b>	<b>269,457</b>	268,601

The deferred income for the year represents rental income received in advance.

#### 10(b) Creditors: amounts falling due after one year

	2016	2015
	£	£
<b>As at 1 January and 31 December 2016</b>	<b>73,925</b>	73,925

# Elrahma Charity Trust

## Notes to the accounts For the year ended 31 December 2016 (continued)

### 11. Unrestricted Funds

	<b>2016</b>	2015
	<b>£</b>	£
Balance at 1st January 2016	<b>41,713,861</b>	24,484,828
Net movement of funds during the year	<b>16,253,130</b>	17,229,033
Balance at 31 December 2016	<b>57,966,991</b>	41,713,861

### 12. Financial Instruments

	<b>2016</b>	2015
	<b>£</b>	£
Financial assets measured at fair value	<b>32,700,000</b>	32,700,000
Financial assets measured at amortised cost	<b>3,718,316</b>	3,673,946

Financial assets measured at fair value include investment properties.

Financial assets measured at amortised cost include programme related investments and rent receivable.

# Elrahma Charity Trust

## Notes to the accounts For the year ended 31 December 2016 (continued)

### 13. Employees

The average monthly number of persons employed by the trust was 6 (2015: 5). See below:

	2016	2015
	£	£
Staff costs (for the above persons)		
Wages and salaries	121,702	123,269
Social security	10,322	8,205
Pensions	170	-
	132,194	131,474
Donations in kind (Note 3)	19,201	18,216

Donations in kind are staff costs for those staff providing services directly to El Farouq Foundation, these costs are therefore included in the overall analysis of staff costs. No employee earned £60,000 or more (2015: none). All employees are engaged in the administration and management of the Trust.

As mentioned in the Trustees' Report remuneration of all employees is set by the Trustees. All key management decisions are taken by the Trustees who are not remunerated. Were the Trustees to delegate control over this area it would result in an increase in remuneration which they do not see as necessary at present.

### 14. Trustees

The trustees did not receive any payment in role of trustee or acted as agents for the charity, nor were any expenses reimbursed to them (2015: none).

### 15. Related Party Transactions

	2016	2015
	£	£
Rent charged to El Farouq Foundation, a company with certain Trustees which are common to Elrahma Charity Trust.	-	-

# **Elrahma Charity Trust**

## **Notes to the accounts**

### **For the year ended 31 December 2016 (continued)**

#### **16. Indemnity insurance**

An insurance premium of £1,643 (2015: £1,640) was paid to provide protection cover to the charity against claims arising from the negligent acts or defaults of its trustees, employees or agents, and to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

#### **17. Ultimate controlling party**

The Trustees acting in concert are deemed to be the ultimate controlling party of the Trust.