

Ar-Rahmah Trust

Annual Report 2019

Trustees Report and Financial Statements For the year ended 31 March 2019



Ar-Rahmah Trust Contents

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Ar-Rahmah Trust Trustees' report for the year ended 31 March 2019

The trustees present their report and the financial statements of the charity for the year ended 31 March 2019. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document.

Reference and administrative details of the charity

Charity registration number

1121296

Correspondence address

203 St Bernards Road
Solihull
West Midlands
B92 7DL

Trustees

M Asif (Chair)
Q Z Saleem (Secretary)
M Nadeem

Bankers

TSB Bank
22A Great Hampton Street
Birmingham
B186AH

Al Rayan Bank
394 Coventry Road
Birmingham
B10OUF

Independent examiner

MAS (Birmingham) Ltd
527 Moseley Road
Birmingham
B12 9BU

Message from Chairman

It gives me great pleasure to present the trustees report and financial statements for the past year.

I am delighted to report that the charity continued to grow in terms of securing an increase of 23% of funding income on the previous year. This is due to the hard work of the staff and the generous contributions of our donors.

We know that, in Pakistan no one bears the impact of poverty and injustice more than orphan girls. Ar-Rahmah was formed with the aim of helping orphan girls and empowering young poor women with essential skills and education. We have sustained focus on providing education, housing and food to vulnerable orphan girls at our school in Rawalpindi.

The charity has continued to develop and build on the 10-acre land acquired for housing and educating the much needed 500 Orphan Girls Boarding School Complex near Lahore.

We continue to provide sewing classes training and literacy programmes to adolescent poor girls in order to transform their lives and the communities around them.

Throughout the year, we have responded to the humanitarian food crisis in Pakistan, Bangladesh, Sudan, Eritria and Indonesia as well as to the refugee crisis in Syria, Yemen and the Rohingya.

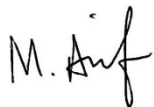
Accessing drinking water is essential to human life. We managed to increase, to nearly double, the amount of hand water pumps fitted and provided throughout Pakistan this year.

In partnership with one of the rural hospitals in Warburton we provided 100 poor patients breakfast and dinner on a daily basis.

We had a very successful Qurbani year where free meat was distributed to hundreds of poor families who rarely have meat as their staple diet.

Towards the end of the year Ar-Rahmah Trust ceased providing funding for the Ar-Rahmah Institute which provides higher education to boys in order to focus more of our resources on orphan girls and women.

I look forward to the charity helping more and more desperate and vulnerable people throughout the world and putting the rights of orphan girls and women at the heart of what we do.



Mohammed Asif
Chair of Trustees

Highlights of the year

Throughout 2018/19 Ar-Rahmah Trust has worked hard to successfully secure new income to support its charitable activities

- Income for the year increased by over 23%: £745,349 (last year's turnover £604,934)
- Funds raised in Ramadan 2018: £384,239 (Ramadan 2017 was £272,488)
- Raised for Boarding complex: £248,120 (Last year £215,000)
- 223 hand pumps, 39 motor pumps and 3 water wells installed in poor areas of Pakistan (last year 127 hand water pumps and 55 motor pumps).
- Hundreds of poor families in Pakistan, Bangladesh and Sudan/Eritrea were provided with over 1300 food parcels and rations during Ramadan.
- Additionally, 2960 small food packs distributed among poor families in Pakistan during Ramadan.
- 1500 Eid gift packs distributed in Yemen, Sudan and to Rohingya refugees in Bangladesh.
- Qurbani in Pakistan: 43 goats and 35 cows
- UK Qurbani: 60 sheep
- Every day, 100 breakfast and 100 dinners have been served to hospital patients in Pakistan.
- 375 Winter and Food packs distributed in Yemen
- Food Aid provided in Sudan and Indonesia.
- Free Eye clinics were run successfully in Pakistan to alleviate the suffering of poor people. The eye camps were attended by approx. 1000 people who benefitted from free eye check-ups and treatment. Approximately 100 cataract operations were financed for the poor and free reading glasses prescriptions were issued where required.
- Free medicines and blood tests were provided to around 35 to 40 poor patients on a daily bases from our medical centre in Pakistan.
- Approximately 70 Orphan girls continue to be sponsored at the Rawalpindi Boarding School for Girls. Alongside this around 20 homebased Orphans were sponsored in Pakistan and Africa.

About Ar-Rahmah Trust

Ar Rahmah Trust has steadily continued to expand its projects meeting the needs of orphans, widows, the poor and destitute across the world, providing them with education, health, food aid, livelihood support and most importantly empowering people with the essential knowledge and skills needed to build their own future with dignity and self-respect.

The charity aims to focus its attention on providing continuous and sustained assistance and support to orphans, poor and vulnerable women through sustainable development programmes, ensuring that they receive long term support and provision throughout the course of their lives, helping them to rebuild their future, as well as their self-esteem, bringing in to their lives more optimism and purpose. Alongside this the charity also aims to prevent or in certain cases contribute to the prevention and relief of poverty across the world.

Objectives and activities

a. Summary of objectives

The objectives of the charity as set out in its Trust Deed are as follows:

1. the advancement of education, relief of poverty and the promotion of good health anywhere in the world
2. the relief of suffering amongst victims of natural or other kinds of disaster anywhere in the world
3. for such general charitable purposes anywhere in the world as the trustees may deem fit from time to time.

b. Activities for achieving objectives

During the year the charity achieved its objectives as stated in its governing document by undertaking the following charitable activities:

1. Food aid
2. Education
3. Supporting orphans
4. Healthcare
5. Community empowerment

Structure, governance and management

a. Governing document

The charity is governed by its Trust deed which was adopted by the trustees on 2nd October 2007 and subsequently amended on 29th June 2008.

b. Method of appointment and induction of new trustees

New trustees are appointed by existing trustees and are briefed on their legal obligations under charity law, the content of the Trust Deed and recent performance of the charity.

c. Organisational structure and decision making

Ar-Rahmah Trust is a UK based charity that works with a number of partner organisation overseas through which it delivers programmes supporting Community Empowerment, Education, Food Aid, Healthcare and Orphans. The board of Trustees of the charity oversee the running of the charity on a day to day basis. All operational decisions are made at board meetings which are held frequently through the year.

d. Risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems and procedures are in place to mitigate our exposure to those risks.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and Wales requires the trustee(s) 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 principals of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and to enable them to ascertain to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing preparation and dissemination of financial statements.

This report was approved by the Trustees on 29 January 2020 and signed on their behalf by:



M Asif
Trustee

Independent examiner's Report to the Trustees of Ar-Rahmah Trust

I report on the accounts of the Trust for the year ended 31 March 2019, which are set out on pages 9 to 18.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's 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.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general directions given by the commission under section 145(5)(b) of the 2011 Act;
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts 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 accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

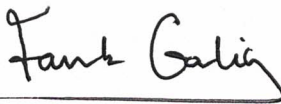
Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



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MAS (Birmingham) Ltd
New Inn Business Centre
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29 January 2020

**Statement of financial activities
for the year ended 31 March 2019**

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Incoming and endowments					
Donations	2	69,580	666,509	736,089	594,024
Charitable activities	3	9,260	-	9,260	10,910
Other		-	-	-	-
Total incoming resources		78,840	666,509	745,349	604,934
Expenditure					
Raising funds	4	4,816	90,393	95,209	76,054
Charitable activities	5	61,160	363,671	424,831	819,793
Total resources expended		65,976	454,064	520,040	895,847
Net incoming resources before transfers		12,864	212,445	225,309	(290,913)
Gross transfers between funds	14	-	-	-	-
Net movement in funds for the year		12,864	212,445	225,309	(290,913)
Total funds brought forward	14	27,392	44,290	71,682	362,595
Total funds carried forward	14	40,256	256,735	296,991	71,682

All activities relate to continuing operations.

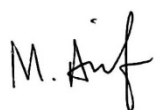
The notes on pages 11 to 18 form part of these financial statements.

Balance sheet

at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	223	394
		223	394
Current assets			
Debtors	12	59,726	8,281
Cash at bank and in hand		240,921	77,856
		300,647	86,137
Creditors: amounts falling due within one year	13	(3,879)	(14,849)
Net current assets		296,768	71,288
Net assets		296,991	71,682
Charity Funds			
Unrestricted Funds	14	40,256	27,392
Restricted Funds	14	256,735	44,290
Equity shareholders' funds		296,991	71,682

The financial statements were approved by the Trustees on 29 January 2020 and signed on their behalf by



M Asif

Trustee

Notes to the financial statements for the year ended 31 March 2019

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.1. Basis of preparation of financial statements

The financial statements have been prepared under the historic cost convention in accordance with the Statement of Recommended Practice: 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) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Ar Rahmah 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 note(s).

1.2. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition to FRS 102 there were no changes in accounting policies that had an impact on previously reported balances under UK GAAP. Consequently, no restatement of previously reported balances under the previous GAAP was required.

1.3. Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

1.4. Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1. Accounting policies (continued)

1.5. Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations, gifts and grants that provide core funding or are of general nature, are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from Charitable Activities - Including income recognised as earned from the related goods or services which are provided.

1.6. Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Charitable Activities include those costs that are directly related to the objectives of the charity.

Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements.

Support Costs for a single activity are allocated directly to that activity. Where support costs relate to several activities they have been apportioned on the basis of resources consumed by those activities. In allocating the support costs, the trustees have ensured that the costs are expended utilising the unrestricted funds available and consequently no restricted funds have been used in this respect.

1.7. Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	- 15% reducing balance
Computers and office equipment	- 35% straight line on cost

1.8. Taxation

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

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

2. Income from donations

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2019	2019	2019	2018
	£	£	£	£
Donations	30,712	664,909	695,621	563,829
Gift Aid	38,868	1,600	40,468	30,195
	69,580	666,509	736,089	594,024

3. Income from charitable activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2019	2019	2019	2018
	£	£	£	£
Community Empowerment	-	-	-	-
Food Aid	9,260	-	9,260	10,910
	9,260	-	9,260	10,910

4. Raising funds

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2019	2019	2019	2018
	£	£	£	£
Fundraising and publicity	4,816	90,393	95,209	76,054
	4,816	90,393	95,209	76,054

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

5. Analysis of resources expended by charitable activity

Expenditure can be summarised as:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Community empowerment	17,691	33,359	51,050	25,673
Education	17,480	32,491	49,971	47,221
Emergency relief	1,297	24,843	26,140	68,654
Food aid	17,602	136,991	154,593	68,458
Healthcare	313	5,975	6,288	9,936
Supporting orphans	4,633	88,720	93,353	566,694
Water aid	2,144	41,292	43,436	33,157
	61,160	363,671	424,831	819,793

6. Analysis of resources expended by activity type

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support and governance costs 2019 £	Total funds 2019 £	Total funds 2018 £
Cost of generating volume income					
Fundraising and publicity	88,474	-	6,735	95,209	76,054
Charitable activities					
Community empowerment	328	45,057	5665	51,050	328
Education	-	44,425	5546	49,971	47,221
Emergency relief	-	23,239	2901	26,140	68,654
Food aid	9,636	127,801	17156	154,593	68,458
Healthcare	-	5,590	698	6,288	9,937
Supporting orphans	-	82,993	10360	93,353	566,694
Water aid	940	37,676	4820	43,436	33,156
	10,904	366,781	47,146	424,831	819,793
Total	99,378	366,781	53,881	520,040	895,847

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

7. Grants payable

	Grants to Institutions £	Grants to individuals £
Community empowerment	45,057	-
Education	44,425	-
Emergency relief	23,239	-
Food aid	127,801	-
Healthcare	5,590	-
Supporting orphans	82,993	-
Water aid	37,676	-
	366,781	-
Recipients of institutional grant(s) were as follows:	Total 2019 £	Total 2018 £
Ar-Rahmah Trust (Pakistan)	301,181	694,363
Saba Relief	16,500	-
Al-Ihsan Foundation	2,000	2,000
Crisis Aid	6,000	24,000
One Ummah	18,660	-
Ethar Relief	16,835	875
Restless Beings	3,105	38,195
Mercy Relief	2,500	-
Kebire Foundation for Relief & Development	-	3,000
	366,781	762,433

8. Support and governance costs

	Basis of allocation	Fundraising costs 2019 £	Charitable activities 2019 £	Total funds 2019 £	Total funds 2018 £
Support costs					
Management and administration	Usage	6,735	47,146	53,881	39,776
Governance costs					
Independent examination	Resources expended	-	-	-	-
Total		6,735	47,146	53,881	39,776

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

9. Net incoming resources

	2019	2018
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets - owned by the charity	171	352
	171	352

10. Staff costs

	2019	2018
	£	£
Wages and salaries	52,938	38,591
Social security costs	4,048	3,073
	56,986	41,664

During the year the charity had 5 (2018:2) full time equivalent and a number of casual employees.

The Trust consists of its key management personnel, the trustees and the Chief Executive Officer. The total employment benefits paid to its key management personnel were £52,938 (2018: £38,591). No employees had benefits in excess of £60,000 (2018: Nil).

During the year, no trustees received any remuneration or benefits in kind (2018: Nil).

During the year, no trustees received any reimbursement of expenses (2018: Nil).

11. Tangible fixed assets

	Assets under the course of construction	Fixtures & fittings	Computers & office equipment	Total
	£	£	£	£
Cost				
At 1 April 2018	-	995	1,259	2,254
Additions	-	-	-	-
Transfer	-	-	-	-
At 31 March 2019	-	995	1,259	2,254
Depreciation				
At 1 April 2018	-	873	987	1,860
Disposals	-	-	-	-
Charge for the year	-	19	152	171
At 31 March 2019	-	892	1,139	2,031
Net book value				
At 31 March 2019		103	120	223
At 31 March 2018	-	122	272	394

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

12. Debtors

	2019	2018
	£	£
Other debtors	42,578	500
Prepayments & accrued income	17,148	7,781
	59,726	8,281

13. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	760	4,195
Other creditors	-	10,000
Salaries and social security	2,927	654
Accruals & deferred income	192	-
	3,879	14,849

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

14. Statement of funds

Year ended 31 March 2019

	Brought forward	Incoming resources	Resources expended	Transfers in/(out)	Carried forward
	£	£	£	£	£
Unrestricted funds	27,392	78,840	(65,976)	-	40,256
Total unrestricted funds	27,392	78,840	(65,976)	-	40,256
Restricted funds					
Ar-Rahmah Institute	(17,002)	6,110	(20)	10,912	-
Ar-Rahmah Mosque fund	(1,642)	13,487	(11,616)	-	229
Eid Gifts	-	37,715	(37,715)	-	-
Family sponsorship	(2,136)	3,385	(1,192)	-	57
Fidyah	-	2,430	(2,430)	-	-
Health	-	21,159	(14,800)	-	6,359
Community Iftar Food	-	1,285	(1,285)	-	-
Marriage sponsorship	-	-	-	-	-
Orphans	42,610	293,150	(118,349)	-	217,411
Sudan	-	3,670	(3,670)	-	-
Indonesia	-	2,900	(2,900)	-	-
Pakistan Need to Feed	2,223	37,328	(22,102)	-	17,449
Quran Memorisation	(974)	5,630	(4,536)	-	120
Qurbani	(661)	23,860	(23,199)	-	-
Ramadaan food programme	-	60,140	(58,552)	-	1,588
Self-reliance scheme	-	1,430	(949)	-	481
Syria	5,431	520	(5,951)	-	-
Burma	2,194	155	(2,349)	-	-
Yemen	-	13,885	(13,885)	-	-
Water pump	18,688	47,920	(55,157)	-	11,451
Zakat	(4,441)	70,964	(54,021)	(10,912)	1,590
Zakat Al-Fitr	-	19,386	(19,386)	-	-
Total restricted funds	44,290	666,509	(454,064)	-	256,735
Total funds 2019	71,682	745,349	(520,040)	-	296,991