

Elrahma Charity Trust

(formerly Charity Islamic Trust Elrahma)

Annual report and financial statements

for the year ended 31 December 2023

Charity Registration Number 1026927

Elrahma Charity Trust

Annual report and financial statements for the year ended 31 December 2023

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Elrahma Charity Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr. Abubaker Megerisi Mr. Omar Megerisi Mr. Otman Megerisi Mr. Hazem Megerisi Mr. Mohamed Megerisi Mr. Ali Abubaker Megerisi Mr. Ahmed Tarek Megerisi	(Chairman)
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	
Bankers	National Westminster Bank PLC Piccadilly & New Bond Street (A) Branch 63-65 Piccadilly London W1J 0AJ	
Solicitors	Brecher 4 th Floor 64 North Row London W1K 7DA	
Registered Office	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 2023

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2023. 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 the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

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 LIBF Limited.

11 to 35 St. John's Street, London EC1, was let until December 2018 when the property became vacant. It has now undergone an extensive refurbishment in preparation for reletting. This work was completed on 1 September 2023 and the property is now being marketed.

An independent valuation of the freehold investment properties as at 31 December 2023 was undertaken in October 2024 by Mr David Raw MRICS of Cushman & Wakefield LLP. The basis of valuation was fair value assessed in accordance with the International Accounting Standards Board and the relevant parts of the current RICS Red Book.

This resulted in a reduction in the value at which the properties are held to £33,450,000.

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, schools, and for community activities. As these uses are in line with the objects of the Charity the properties concerned have been separately identified as Programme Related Investments in the accounts.

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Report of the Trustees for the year ended 31 December 2023 (continued)

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 2023 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 2 and the total value of these donations was £518,031 (2022: £393,312). The total number of students who received educational grants was 10 and the total amount of grants awarded to these students was £72,482 (2022: £107,556). The financial relief to poor families amounted to £50,363 (2022: £48,584).

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.

The charity does not fund raise with members of the public and accordingly there have been no complaints received regarding fund raising in the year (2022: None).

FINANCIAL REVIEW

The income for the year ended 31 December 2023 was £649,212 (2022: £409,876). During the year the investment properties were revalued which resulted in a loss on revaluation £2,798,255 (2022: £4,026,352). Investment income for the year was £649,210 (2022: £409,011).

The cost of charitable activities, excluding governance costs, was £1,132,979 (2022: £817,506). The Governance costs amounted to £12,000 (2022: £11,460). The operating loss for this period was £3,294,022 (2022: £4,445,532) and at the year end, the aggregate value of the funds was £46,023,763 (2022: £49,317,785).

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 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.

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Report of the Trustees for the year ended 31 December 2023 (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 aims to maintain a cash reserve to cover anticipated grant and other future commitments in the current and forthcoming financial years.

Whilst the Trustees have substantial cash reserves they have spent a significant sum in the refurbishment of one of its properties. Now that the amount needed to fund this is clear, the Trustees are actively seeking opportunities to invest in another investment property.

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:

Risk identified	Action taken to mitigate the risk
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.

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Report of the Trustees for the year ended 31 December 2023 (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 refurbishment of the St John Street property is now complete and the Trustees are pursuing the reletting of this investment with a view to maximising the long term return thereon.

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

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 2023 and up to the date of this report were:

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

The first four 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 seven 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.

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Report of the Trustees for the year ended 31 December 2023 (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 LLP as auditors to the charity will be proposed at a future trustees' meeting.

By order of the Trustees:

Abubaker Megerisi

Abubaker Megerisi
Trustee

25th October 2024

Elrahma Charity Trust

Independent auditor's report to the trustees of Elrahma Charity Trust

Opinion

We have audited the financial statements of Elrahma Charity Trust for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of the charity's 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.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the [group/charity]'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the Charities act 2011, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements

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such as the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP 2015), FRS102 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, 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 Auditor's 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.

Haysmacintyre LLP

Haysmacintyre LLP

Statutory Auditors

Date: 29 October 2024

10 Queen Street Place

London

EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Elrahma Charity Trust

Statement of financial activities for the year ended 31 December 2023

	Note	2023	2022
		£	£
Income from:			
Investments	2	649,210	409,011
Other income	6	2	775
Total Income		649,212	409,786
Expenditure on:			
Charitable activities	3, 4 & 5	1,144,979	828,966
Total expenditure		1,144,979	828,966
Net (expenditure)/income before losses on investments		(495,767)	(419,180)
Net (loss) on revaluation of investment properties		(2,798,255)	(4,026,352)
Net (expenditure)/income/movement in funds		(3,294,022)	(4,445,532)
Reconciliation of funds:			
Balance brought forward at 1st January 2023		49,317,785	53,763,317
Balance carried forward at 31 December 2023		46,023,763	49,317,785

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

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Balance sheet as at 31 December 2023

	Note	2023	2022
		£	£
Fixed assets			
Tangible fixed assets	7	26,301	1,018
Investment properties	8	33,450,000	33,700,000
Programme related investments	9	3,363,363	3,363,363
Unlisted Investments	10	102,800	102,800
		36,942,464	37,167,181
Current assets			
Debtors	11	196,274	48,241
Cash at bank and in hand		9,665,380	12,325,003
		9,861,654	12,373,244
Current liabilities			
Creditors: amounts falling within one year	12(a)	(429,221)	(146,622)
Net current assets			
		9,432,433	12,226,622
Creditors: amounts falling due after more than one year	12(b)	(351,134)	(76,018)
Net assets			
		46,023,763	49,317,785
The funds of the charity:			
Unrestricted funds	13	46,023,763	49,317,785

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

Abubaker Megerisi

Abubaker Megerisi
Trustee

25th October 2024

The accompanying notes form part of the financial statements

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Statement of Cash Flows

	2023	2022
	£	£
Cash flows from operating activities:		
<i>Net cash (used in) operating activities (see below)</i>	(730,303)	(832,830)
Cash flows from investing activities:		
Rents from investment properties	649,210	409,010
Gains from sale of property	-	-
Purchase of unlisted investment	-	(102,800)
Purchase of fixed assets	(2,578,530)	(8,177,353)
<i>Net cash provided by investing activities</i>	(1,929,320)	(7,871,142)
<i>Change in cash and cash equivalents in the year</i>	(2,659,623)	(8,703,972)
<i>Cash and cash equivalents at the start of the year</i>	12,325,003	21,028,975
<i>Cash and cash equivalents at the end of the year</i>	9,665,380	12,325,003

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

<i>Net (expenditure) for the year (as per the Statement of Financial Activities)</i>	(3,294,022)	(4,445,532)
Adjustments for:		
Depreciation charges	5,022	339
Loss on Investment property	2,798,225	4,026,352
Rents from investments	(649,210)	(409,011)
(Increase)/Decrease in debtors	(148,033)	108,523
Increase/(decrease) in creditors	557,715	(113,501)
<i>Net cash (used in) operating activities</i>	(730,303)	(832,830)

ANALYSIS OF NET DEBT

	At 1 January 2023	Cash Flow	At 31 December 2023
Cash at bank and in hand	12,325,003	(2,659,623)	9,665,380
Total	12,325,003	(2,659,623)	9,665,380

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Notes to the accounts For the year ended 31 December 2023

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) and 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

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 with an effective date of 31 December 2023, was undertaken in October 2024 by Mr David Raw MRICS of Cushman & Wakefield LLP.

Programme related investments

Programme related investments are those assets that are used by third parties in furtherance of the charity's objects and not for financial return. These assets are valued at original cost and are not depreciated.

Unlisted investments

Unlisted investments were previously valued at cost which the Trustees believed equated to fair value. As a reliable basis cannot be determined for the fair value of the investment at the balance sheet date the investment is held at cost in line with the provision of Section 11 of FRS 102.

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.

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Notes to the accounts For the year ended 31 December 2023

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 registered for VAT and has opted to tax one of its properties. As this is a partial registration it cannot recover VAT it pays on some of its 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.

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.

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.

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Notes to the accounts

For the year ended 31 December 2023 (continued)

1 Accounting policies (continued)

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, other than the valuation of investment property as mentioned in the trustees report, 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.

Going concern

Having reviewed the funds available to the Charity and the future projected cash flows, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Charity's financial viability. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

2. Investment Income

	2023	2022
	£	£
Rental income	330,000	330,000
Interest receivable	319,210	79,011
	649,210	409,011

3. Charitable activities

	2023	2022
	£	£
Donations	640,876	549,452

Included in donations are educational grants to 10 individuals totalling £72,482 (2022: 13 individuals received £107,556)

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Notes to the accounts For the year ended 31 December 2023 (continued)

4. Support costs

	2023	2022
	£	£
Wages & salaries (Note 14)	99,011	103,177
Bank charges	886	1,688
Legal & professional fees	112,709	81,196
Rent and rates	21,372	18,930
Travel	1,493	1,020
Insurance	51,421	39,887
Communications	7,184	1,844
Electricity and gas	85,493	16,849
Depreciation	5,022	339
Security	33,961	646
Maintenance	17,343	528
Subscriptions and other	292	1,819
Stationery, postage and printing	261	131
Advertising and marketing	45,655	-
Bad debts	10,000	-
	492,103	268,054

5. Governance Costs

	2023	2022
	£	£
<u>Amounts paid to the auditors</u>		
Audit Fee	12,000	10,100
Tax advice	-	1,040
VAT and other advice	-	320
	12,000	11,460

Elrahma Charity Trust

Notes to the accounts For the year ended 31 December 2023 (continued)

6 . Other Income

	2023	2022
	£	£
Income from sale of property	-	-
Sundry income	2	775
	2	775

7. Tangible fixed assets

	Office Equipment	Fixtures and Fittings	Total
	£	£	£
Cost/Valuation			
At 1 January 2023	2,785	511	3,296
Additions	-	30,305	30,305
At 31 December 2023	2,785	30,816	33,601
Accumulated Depreciation			
At 1st January 2023	1,827	451	2,278
Charge for year	458	4,564	5,022
At 31 December 2023	2,285	5,015	7,300
Net Book Value			
At 31 December 2023	500	25,801	26,301
At 31 December 2022	958	60	1,018

Elrahma Charity Trust

Notes to the accounts For the year ended 31 December 2023 (continued)

8. Freehold Investment Properties

	2023	2022
	£	£
Valuation		
At 1 January 2023	33,700,000	29,550,000
Additions	2,548,225	8,176,352
Revaluation	(2,798,225)	(4,026,352)
At 31 December 2023	33,450,000	33,700,000

As mentioned in note 1, freehold investment properties were re-valued with an effective date of 31 December 2023 by Mr David Raw MRICS of Cushman & Wakefield LLP. The basis of valuation was fair value assessed in accordance with the International Accounting Standards Board and the relevant parts of the current RICS Red Book.

9. Programme related investments

	2023	2022
	£	£
As at 1 January and 31 December 2023	3,363,363	3,363,363

The above relates to properties held by the charity that are used by third parties in furtherance of the charity's objects.

10. Unlisted Investments

	2023	2022
	£	£
Balance at 1st January 2023	102,800	-
Additions	-	102,800
Balance at 31 December 2023	102,800	102,800

Elrahma Charity Trust

Notes to the accounts For the year ended 31 December 2023 (continued)

11. Debtors: amount falling due within one year

	2023	2022
	£	£
Other debtors and prepayments	196,274	48,241

12(a) Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	167,186	55,621
Deferred income	83,171	82,491
Accruals	14,760	8,510
Other creditors	164,104	-
	429,221	146,622

	2023	2022
	£	£
Deferred income at 1 January 2023	82,491	81,983
Received/(released) in year	640	508
Deferred income at 31 December 2023	83,131	82,491

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

Elrahma Charity Trust

Notes to the accounts For the year ended 31 December 2023 (continued)

12(b) Creditors: amounts falling due after one year

	2023	2022
	£	£
Rental deposit due	351,134	76,018

13. Unrestricted Funds

	2023	2022
	£	£
Balance at 1st January 2023	49,317,785	53,763,317
Net movement of funds during the year	(3,294,022)	(4,445,532)
Balance at 31 December 2023	46,023,763	49,317,785

14. Employees

The average monthly number of persons employed by the trust was 4 (2022: 4). See below:

	2023	2022
	£	£
Staff costs (for the above persons)		
Wages and salaries	85,507	99,040
Social security	7,094	7,571
Employers NIC allowance	(5,000)	(5,000)
Redundancy and other staff costs	10,437	-
Pensions	973	1,566
	99,011	103,177

Elrahma Charity Trust

Notes to the accounts For the year ended 31 December 2023 (continued)

No employee earned £60,000 or more (2022: 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.

15. Operating lease receivables

At the Balance Sheet date the charity had the following future minimum rentals receivables in respect of non-cancellable operating leases:

	2023	2022
Land and Buildings	£	£
Within one year	-	95,157
Between one and two years	-	-
Between two and five years	-	-
	<hr/>	<hr/>
	-	95,157

16. Trustees

The trustees did not receive any payment in respect of their role of trustee or acted as agents for the charity, nor were any expenses reimbursed to them (2022: none).

17. Related Party Transactions

During the year the charity received IT services from Tristar Tech Solutions Limited for which it paid £2,015 (2022:£2,109). Mr Omar Megerisi and Mr Hazem Megerisi are directors of Tristar Tech Solutions Limited. There were no other related party transactions during the year (2022: None).

18. Indemnity insurance

An insurance premium of £1,181 (2022: £1,676) 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.

Elrahma Charity Trust

Notes to the accounts

For the year ended 31 December 2023 (continued)

19. Capital commitments

There were no capital commitments at 31 December 2023. The capital commitment at 31 December 2022 in respect of the refurbishment of the investment property at St John Street, London EC1 has now been fulfilled.

20. Ultimate controlling party

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