ELRAHMA CHARITY TRUST

England & Wales · Charity number 1026927

Details

Other names	CHARITY ISLAMIC TRUST ELRAHMA
Status	Registered
Legal form	Other
Registered	1993-10-06
Register	View on the Charity Commission register

Contact

Address	Suite 201 Stanmore Business & Innovation Cent Stanmore Place Howard Road London HA7 1BT
Phone	02084593244
Email	projects@elrahma.org.uk
Website	www.elrahma.org.uk

Activities

Objects: THE RELIEF OF POVERTY AND ADVANCEMENT OF EDUCATION AND RELIGION IN THE MUSLIM COMMUNITY, IN THE UNITED KINGDOM AND ABROAD AND IN PARTICULAR TO ASSIST POOR PEOPLE AND ORPHANS OF ISLAMIC RELIGION IN THE UNITED KINGDOM AND ABROAD, TO ERECT OR HELP TO ERECT SCHOOLS, CHARITABLE INSTITUTIONS MOSQUES, ORPHANAGES AND NURSERIES FOR THE ISLAMIC COMMUNITY IN BRITAIN AND ABROAD;THE RELIEF OF POVERTY AND SUFFERING AMONG THE MUSLIMS

Activities: The relief of poverty and advancement of education and religion in the Muslim community, to assist the poor and orphans of 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.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief
- **Who:** Children/young People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** THE UNITED KINGDOM AND ABROAD
- Egypt
- Jordan
- Malaysia
- Thailand
- Tunisia
- United States

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£798,252	£1,132,700	£45,689,314	3
2023-12-31	£649,212	£1,144,979	£46,023,763	4
2022-12-31	£409,786	£828,966	-	-
2021-12-31	£397,929	£910,845	-	-
2020-12-31	£947,747	£874,778	£55,270,636	5

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Trustees

Name	Role	Appointed
ABUBAKER MEGERISI		
ALI ABUBAKER MEGERISI		
HAZEM MEGERISI		
MOHAMED ABUBAKER MEGERISI		
MR O MEGERISI		1993-09-27
MR TAREK MEGERISI		
OTMAN MEGERISI		

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ELRAHMA CHARITY TRUST

England & Wales - Charity number 1026927

Accounts

Elrahma Charity Trust

(formerly Charity Islamic Trust Elrahma)

Annual report and financial statements

for the year ended 31 December 2024

Charity Registration Number 1026927

Elrahma Charity Trust

Annual report and financial statements for the year ended 31 December 2024

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Elrahma Charity Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr. Abubaker Megerisi	(Chairman)
	Mr. Omar Megerisi	
	Mr. Otman Megerisi	
	Mr. Hazem Megerisi	
	Mr. Mohamed Megerisi	
	Mr. Ali Abubaker Megerisi	
	Mr. Ahmed Tarek Megerisi	
Auditors	HaysMac 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 4th 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 2024

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2024. 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.

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 use are in line with the objects of the Charity the properties concerned have been separately identified as Programme Related Investments in the accounts.

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 2024 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 £414,497 (2023: £518,031). The total number of students who received educational grants was 10 and the total amount of grants awarded to these students was £154,810 (2023: £72,482). The financial relief to poor families amounted to £57,842 (2023: £50,363).

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 (2023: None).

FINANCIAL REVIEW

The income for the year ended 31 December 2024 was £793,252 (2023: £649,210). During the prior year the investment properties were revalued which resulted in a loss on revaluation of £2,798,255). Investment income for the year was £793,252 (2023: £649,210).

The cost of charitable activities, excluding governance costs, was £1,120,700 (2023: £1,132,979). The Governance costs amounted to £12,000 (2023: £12,000). The operating loss for this period was £334,448 (2023: £3,294,022) and at the year end, the aggregate value of the funds was £45,689,314 (2023: £46,023,763).

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.

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

Elrahma Charity Trust

Report of the Trustees
for the year ended 31 December 2024 (continued)

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 are expecting to spend 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.

Elrahma Charity Trust

Report of the Trustees
for the year ended 31 December 2024 (continued)

PLANS FOR FUTURE PERIODS

The trustees will continue to take steps to maximise income from investments by seeking higher level of rental income 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 2024 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.

Elrahma Charity Trust

Report of the Trustees
for the year ended 31 December 2024 (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 HaysMac LLP as auditors to the charity will be proposed at a future trustees' meeting.

By order of the Trustees:

Abubaker Megerisi

Abubaker Megerisi
Trustee

27 October 2025

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 2024 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 2024 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.

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

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.

HaysMac LLP

HaysMac LLP
Statutory Auditors
Date: 29th October 2025

10 Queen Street Place
London
EC4R 1AG

HaysMac 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 2024

	Note	**2024**	2023
		£	£
Income from:			
Investments	2	**793,252**	649,210
Other income	6	**5,000**	2
Total Income		**798,252**	649,212
Expenditure on:			
Charitable activities	3, 4 & 5	**1,132,700**	1,144,979
Total expenditure		**1,132,700**	1,144,979
Net (expenditure)/income before losses on investments		**(334,448)**	(495,767)
Net (loss) on revaluation of investment properties		**-**	(2,798,255)
Net (expenditure)/income/movement in funds		**(334,448)**	(3,294,022)
Reconciliation of funds:			
Balance brought forward at 1st January 2024		**46,023,763**	49,317,785
Balance carried forward at 31 December 2024		**45,689,314**	46,023,763

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 2024

	Note	**2024**	2023
		£	£
Fixed assets			
Tangible fixed assets	7	**18,475**	26,301
Investment properties	8	**33,592,840**	33,450,000
Programme related investments	9	**3,363,363**	3,363,363
Unlisted Investments	10	**102,800**	102,800
		37,077,478	36,942,464
Current assets			
Debtors	11	**167,120**	196,274
Cash at bank and in hand		**8,933,289**	9,665,380
		9,100,409	9,861,654
Current liabilities			
Creditors: amounts falling within one year	12(a)	**(363,682)**	(429,221)
Net current assets		**8,736,727**	9,432,433
Creditors: amounts falling due after more than one year	12(b)	**(124,891)**	(351,134)
Net assets		**45,689,314**	46,023,763
The funds of the charity:			
Unrestricted funds	13	**45,689,314**	46,023,763

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

27 October 2025

The accompanying notes form part of the financial statements

Elrahma Charity Trust

Statement of Cash Flows

	2024	2023
	£	£
Cash flows from operating activities:		
Net cash (used in) operating activities (see below)	**(1,382,503)**	(730,303)
Cash flows from investing activities:		
Rents from investment properties	**793,252**	649,210
Gains from sale of property	**-**	-
Purchase of unlisted investment	**-**	-
Purchase of fixed assets	**(142,840)**	(2,578,530)
Net cash provided by investing activities	**650,412**	(1,929,320)
Change in cash and cash equivalents in the year	**(672,091)**	(2,659,623)
Cash and cash equivalents at the start of the year	**9,665,380**	12,325,003
Cash and cash equivalents at the end of the year	**8,993,289**	9,665,380

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

Net (expenditure) for the year (as per the Statement of Financial Activities)	**(334,448)**	(3,294,022)
Adjustments for:		
Depreciation charges	**7,826**	5,022
Gains from sale of property	**-**	-
Loss on Investment property	**-**	2,798,225
Rents from investments	**(793,252)**	(649,210)
(Increase)/Decrease in debtors	**29,154**	(148,033)
(Decrease)/increase in creditors	**(291,783)**	557,715
Net cash (used in) operating activities	**(1,382,503)**	(730,303)

ANALYSIS OF NET DEBT

	At 1 January 2024	Cash Flow	**At 31 December 2024**
Cash at bank and in hand	9,665,380	(672,091)	**8,993,289**
Total	9,665,380	(672,091)	**8,993,289**

Elrahma Charity Trust

Notes to the accounts
For the year ended 31 December 2024

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 2024, 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 initially valued at cost which the Trustees believe equates to fair value and are held at fair value at each balance sheet date.

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.

Notes to the accounts
For the year ended 31 December 2024

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.

Notes to the accounts
For the year ended 31 December 2024 (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

	2024	2023
	£	£
Rental income	**444,602**	330,000
Interest receivable	**348,650**	319,210
	793,252	649,210

3. Charitable activities

	2024	2023
	£	£
Donations	**627,180**	640,876

Included in donations are educational grants to 10 individuals totalling £154,810 (2023: 10 individuals received £72,482)

Elrahma Charity Trust

Notes to the accounts
For the year ended 31 December 2024 (continued)

4. Support costs

	2024	2023
	£	£
Wages & salaries (Note 14)	**86,907**	99,011
Bank charges	**658**	886
Legal & professional fees	**177,526**	112,709
Rent and rates	**21,240**	21,372
Travel	**936**	1,493
Insurance	**56,214**	51,421
Communications	**9,088**	7,184
Electricity and gas	**66,367**	85,493
Depreciation	**7,826**	5,022
Security	**3,320**	33,961
Maintenance	**54,002**	17,343
Subscriptions and other	**138**	292
Stationery, postage and printing	**1,298**	261
Advertising and marketing	**8,000**	45,655
Bad debts	**-**	10,000
	493,520	492,103

5. Governance Costs

	2024	2023
Amounts paid to the auditors	**£**	£
Audit Fee	**12,000**	12,000
	12,000	12,000

Notes to the accounts
For the year ended 31 December 2024 (continued)

6 . Other Income

	2024	2023
	£	£
Sundry income	5,000	2
	5,000	2

7. Tangible fixed assets

	Office Equipment	Fixtures and Fittings	Total
	£	£	£
Cost/Valuation			
At 1 January 2024	2,785	30,816	33,601
Additions	-	-	-
At 31 December 2024	2,785	30,816	33,601
Accumulated Depreciation			
At 1st January 2024	2,285	5,015	7,300
Charge for year	250	7,575	7,825
At 31 December 2024	2,535	12,590	15,125
Net Book Value			
At 31 December 2024	250	18,226	18,475
At 31 December 2023	500	25,801	26,301

Notes to the accounts
For the year ended 31 December 2024 (continued)

8. Freehold Investment Properties

	2024	2023
	£	£
Valuation		
At 1 January 2024	**33,450,000**	33,700,000
Additions	**142,840**	2,548,225
Revaluation	**-**	(2,798,225)
At 31 December 2024	**33,592,840**	33,450,000

As mentioned in note 1, freehold investment properties were re-valued with an effective date of 31 December 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.

9. Programme related investments

	2024	2023
	£	£
As at 1 January and 31 December 2024	**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

	2024	2023
	£	£
Balance at 1st January 2024	**102,800**	102,800
Additions	**-**	-
Balance at 31 December 2024	**102,800**	102,800

Notes to the accounts
For the year ended 31 December 2024 (continued)

11. Debtors: amount falling due within one year

	2024	2023
	£	£
Other debtors and prepayments	**167,120**	196,274

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

	2024	2023
	£	£
Trade creditors	**74,389**	167,186
Deferred income	**110,188**	83,171
Accruals	**15,000**	14,760
Retentions	**164,104**	164,104
	363,682	429,221

	2024	2023
	£	£
Deferred income at 1 January 2024	**83,171**	82,491
Received/(released) in year	**27,017**	640
Deferred income at 31 December 2024	**110,188**	83,171

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 2024 (continued)

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

	2024	2023
	£	£
Rental deposit due	**124,891**	351,134

13.Unrestricted Funds

	2024	2023
	£	£
Balance at 1st January 2024	**46,023,763**	49,317,785
Net movement of funds during the year	**(334,448)**	(3,294,022)
Balance at 31 December 2024	**45,689,314**	46,023,763

14. Employees

The average monthly number of persons employed by the trust was 3 (2023: 4). See below:

	2024	2023
	£	£
Staff costs (for the above persons)		
Wages and salaries	**83,470**	85,507
Social security	**7,359**	7,094
Employers NIC allowance	**(5,000)**	(5,000)
Redundancy and other staff costs	**-**	10,437
Pensions	**1,078**	973
	86,907	99,011

Notes to the accounts
For the year ended 31 December 2024 (continued)

No employee earned £60,000 or more (2023: 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:

	2024	2023
Land and Buildings	**£**	£
Within one year	**-**	-
Between one and two years	**-**	-
Between two and five years	-	-
	-	-

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 (2023: none).

17. Related Party Transactions

During the year the charity received IT services from Tristar Tech Solutions Limited for which it paid £2,250 (2023:£2,015). Mr Omar Megerisi and Mr Hazem Megerisi are directors of Tristar Tech Solutions Limited. There were no other related party transactions during the year (2023: None).

18. Indemnity insurance

An insurance premium of £1,259 (2023: £1,181) 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.

19. Capital commitments

After the year end, but before the date of approval of the financial statements, the Trustees have entered into a contract to carry out roof repairs on the charity's investment property held for rental for £75,540 and estimated additional work of £54,000. The works are expected to be undertaken during the 2025 financial year. This represents a non-adjusting post-balance sheet event and, accordingly, no liability or provision has been recognised in these financial statements.

20. Ultimate controlling party

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

ELRAHMA CHARITY TRUST

England & Wales - Charity number 1026927

Accounts

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	(Chairman)
	Mr. Omar Megerisi	
	Mr. Otman Megerisi	
	Mr. Hazem Megerisi	
	Mr. Mohamed Megerisi	
	Mr. Ali Abubaker Megerisi	
	Mr. Ahmed Tarek Megerisi	
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 4th 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.

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.

Elrahma Charity Trust

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.

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.

Elrahma Charity Trust

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.

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

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

Elrahma Charity Trust

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

Elrahma Charity Trust

Statement of Cash Flows

	2023	2022
	£	£
Cash flows from operating activities:		
Net cash (used in) operating activities (see below)	**(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)
Net cash provided by investing activities	**(1,929,320)**	(7,871,142)
Change in cash and cash equivalents in the year	**(2,659,623)**	(8,703,972)
Cash and cash equivalents at the start of the year	**12,325,003**	21,028,975
Cash and cash equivalents at the end of the year	**9,665,380**	12,325,003

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

Net (expenditure) for the year (as per the Statement of Financial Activities)	**(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)
Net cash (used in) operating activities	**(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**

Elrahma Charity Trust

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.

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.

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)

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
Amounts paid to the auditors	**£**	£
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

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

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.

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

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	-	-
	-	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.

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.

ELRAHMA CHARITY TRUST

England & Wales - Charity number 1026927

Accounts

Elrahma Charity Trust

(formerly Charity Islamic Trust Elrahma)

Annual report and financial statements

for the year ended 31 December 2022

Charity Registration Number 1026927

Elrahma Charity Trust

Annual report and financial statements for the year ended 31 December 2022

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Elrahma Charity Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr. Abubaker Megerisi	(Chairman)
	Mr. Omar Megerisi	
	Mr. Otman Megerisi	
	Mr. Hazem Megerisi	
	Mr. Mohamed Megerisi	
	Mr. Ali Abubaker Megerisi	
	Mr. Ahmed Tarek Megerisi	
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 4th 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 2022

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2022. 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 London Institute of Finance and Banking.

11 to 35 St. John's Street, London EC1, was let until December 2018 when the property became vacant. It is currently undergoing an extensive refurbishment in preparation for reletting.

An independent valuation of the freehold investment properties as at 31 December 2022 was undertaken in October 2023 by Ms Emma Bailey 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 £33,700,000.

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

Report of the Trustees
for the year ended 31 December 2022 (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 2022 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 £393,312 (2021: £369,073). The total number of students who received educational grants was 13 and the total amount of grants awarded to these students was £107,556 (2021: £111,642). The financial relief to poor families amounted to £48,584 (2021: £44,845).

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 (2021: None).

FINANCIAL REVIEW

The income for the year ended 31 December 2022 was £409,786 (2021: £397,929). During the year the investment properties were revalued which resulted in a loss on revaluation £4,026,352 (2021: £994,403). Investment income for the year was £409,011 (2021: £332,234).

The cost of charitable activities, excluding governance costs, was £817,506 (2021: £897,203). The Governance costs amounted to £11,460 (2021: £13,642). The operating loss for this period was £4,445,532 (2021: £1,507,319) and at the year end, the aggregate value of the funds was £49,317,785 (2021: £53,763,317).

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.

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

Elrahma Charity Trust

Report of the Trustees
for the year ended 31 December 2022 (continued)

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 are expecting to spend 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.

Elrahma Charity Trust

Report of the Trustees
for the year ended 31 December 2022 (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 progressing and should complete in 2023. 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 2022 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.

Report of the Trustees for the year ended 31 December 2022 (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
Trustee

October 2023 26/10/2023

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 2022 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 2022 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.

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

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

30th October 2023

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 2022

	Note	2022	2021
		£	£
Income from:			
Investments	2	**409,011**	332,234
Other income	6	**775**	65,695
Total Income		**409,786**	397,929
Expenditure on:			
Charitable activities	3, 4 & 5	**828,966**	910,845
Total expenditure		**828,966**	910,845
Net (expenditure)/income before losses on investments		**(419,180)**	(512,916)
Net (loss) on revaluation of investment properties		**(4,026,352)**	(994,403)
Net (expenditure)/income/movement in funds		**(4,445,532)**	(1,507,319)
Reconciliation of funds:			
Balance brought forward at 1st January 2022		**53,763,317**	55,270,636
Balance carried forward at 31 December 2022		**49,317,785**	53,763,317

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

Balance sheet
as at 31 December 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible fixed assets	7	**1,018**	356
Investment properties	8	**33,700,000**	29,550,000
Programme related investments	9	**3,363,363**	3,363,363
Unlisted Investments	10	**102,800**	-
		37,167,181	32,913,719
Current assets			
Debtors	11	**48,241**	156,764
Cash at bank and in hand		**12,325,003**	21,028,975
		12,373,244	21,185,739
Current liabilities			
Creditors: amounts falling within one year	12(a)	**(146,622)**	(260,254)
Net current assets		**12,226,622**	20,925,485
Creditors: amounts falling due after more than one year	12(b)	**(76,018)**	(75,887)
Net assets		**49,317,785**	53,763,317
The funds of the charity:			
Unrestricted funds	13	**49,317,785**	53,763,317

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

Abubaker Megerisi
Trustee

October 2023 26/10/2023

The accompanying notes form part of the financial statements

Elrahma Charity Trust

Statement of Cash Flows

	2022	2021
	£	£
Cash flows from operating activities:		
Net cash (used in) operating activities (see below)	**(832,830)**	(876,824)
Cash flows from investing activities:		
Rents from investment properties	**409,011**	332,234
Gains from sale of property	**-**	65,695
Purchase of unlisted investment	**(102,800)**	-
Purchase of fixed assets	**(8,177,353)**	(848,817)
Net cash provided by investing activities	**(7,871,142)**	(450,888)
Change in cash and cash equivalents in the year	**(8,703,972)**	(1,327,712)
Cash and cash equivalents at the start of the year	**21,028,975**	22,356,687
Cash and cash equivalents at the end of the year	**12,325,003**	21,028,975

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

Net (expenditure) for the year (as per the Statement of Financial Activities)	**(4,445,532)**	(1,507,319)
Adjustments for:		
Depreciation charges	**339**	119
Gains from sale of property	**-**	(65,695)
Loss on Investment property	**4,026,352**	994,403
Rents from investments	**(409,011)**	(332,234)
Decrease in debtors	**108,523**	29,086
(Decrease)/increase in creditors	**(113,501)**	4,816
Net cash (used in) operating activities	**(832,830)**	(876,824)

ANALYSIS OF NET DEBT

	At 1 January 2022	Cash Flow	**At 31 December 2022**
Cash at bank and in hand	21,028,975	(8,703,972)	**12,325,003**
Total	21,028,975	(8,703,972)	**12,325,003**

Elrahma Charity Trust

Notes to the accounts
For the year ended 31 December 2022

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 2022, was undertaken in October 2023 by Ms Emma Bailey 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 initially valued at cost which the Trustees believe equates to fair value and are held at fair value at each balance sheet date.

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.

Notes to the accounts
For the year ended 31 December 2022

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.

Notes to the accounts
For the year ended 31 December 2022 (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

	2022	2021
	£	£
Rental income	**330,000**	330,000
Dilapidation compensation	**-**	-
Interest receivable	**79,011**	2,234
	409,011	332,234

3. Charitable activities

	2022	2021
	£	£
Donations	**549,452**	525,560

Included in donations are educational grants to 13 individuals totalling £107,556 (2021: 14 individuals received £111,642)

Elrahma Charity Trust

Notes to the accounts
For the year ended 31 December 2022 (continued)

4. Support costs

	2022	2021
	£	£
Wages & salaries (Note 13)	**103,177**	127,281
Bank charges	**1,688**	2,018
Legal & professional fees	**81,196**	68,554
Rent and rates	**18,930**	17,893
Travel	**1,020**	878
Insurance	**39,887**	40,637
Communications	**1,844**	2,358
Electricity and gas	**16,849**	11,244
Depreciation	**339**	119
Security	**646**	95,358
Maintenance	**528**	4,881
Subscriptions and other	**1,819**	323
Stationery, postage and printing	**131**	99
	268,054	371,643

5. Governance Costs

	2022	2021
Amounts paid to the auditors	£	£
Audit Fee	**10,100**	10,592
Tax advice	**1,040**	950
VAT and other advice	**320**	2,100
	11,460	13,642

Elrahma Charity Trust

Notes to the accounts
For the year ended 31 December 2022 (continued)

6 . Other Income

	2022	2021
	£	£
Income from sale of property	-	65,695
Sundry income	775	-
	775	65,695

7. Tangible fixed assets

	Office Equipment	Fixtures and Fittings	Total
	£	£	£
Cost/Valuation			
At 1 January 2022	1,784	511	2,295
Additions	1,001	-	1,001
At 31 December 2022	2,785	511	3,296
Accumulated Depreciation			
At 1st January 2022	1,508	431	1,939
Charge for year	319	20	339
At 31 December 2022	1,827	451	2,278
Net Book Value			
At 31 December 2022	958	60	1,018
At 31 December 2021	276	80	356

Notes to the accounts
For the year ended 31 December 2022 (continued)

8. Freehold Investment Properties

	2022	2021
	£	£
Valuation		
At 1 January 2022	**29,550,000**	29,695,586
Additions	**8,176,352**	848,817
Revaluation	**(4,026,352)**	(994,403)
At 31 December 2022	**33,700,000**	29,550,000

As mentioned in note 1, freehold investment properties were re-valued with an effective date of 31 December 2022 by Mrs Emma Bailey 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.

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.

9. Programme related investments

	2022	2021
	£	£
As at 1 January and 31 December 2022	**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.

Notes to the accounts
For the year ended 31 December 2022 (continued)

10. Unlisted Investments

	2022	2021
	£	£
Balance at 1st January 2021	-	-
Additions	102,800	-
Balance at 31 December 2022	102,800	-

Unlisted investments comprise 80 B shares in Civo Limited.

11. Debtors: amount falling due within one year

	2022	2021
	£	£
Other debtors and prepayments	48,241	156,764

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

	2022	2021
	£	£
Trade creditors	55,621	155,132
Deferred income	82,491	81,983
Accruals	8,510	8,580
Taxation	-	14,559
	146,622	260,254

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

Notes to the accounts
For the year ended 31 December 2022 (continued)

	2022	2021
	£	£
Deferred income at 1 January 2022	**81,983**	81,532
Received/(released) in year	**508**	451
Deferred income at 31 December 2022	**82,491**	81,983

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

	2022	2021
	£	£
Rental deposit due	**76,018**	75,887

13.Unrestricted Funds

	2022	2021
	£	£
Balance at 1st January 2021	**53,763,317**	55,270,636
Net movement of funds during the year	**(4,445,532)**	(1057,319)
Balance at 31 December 2022	**49,317,785**	53,763,317

14. Employees

The average monthly number of persons employed by the trust was 5 (2021: 4). See below:

	2022	2021
	£	£
Staff costs (for the above persons)		
Wages and salaries	**99,040**	119,206
Social security	**7,571**	10,358
Employers NIC allowance	**(5,000)**	(4,000)
Pensions	**1,566**	1,717
	103,177	127,281

No employee earned £60,000 or more (2021: 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:

	2022	2021
Land and Buildings	£	£
Within one year	**95,157**	330,000
Between one and two years	**-**	95157
Between two and five years	-	-
	95,157	425,157

Notes to the accounts
For the year ended 31 December 2022 (continued)

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 (2021: none).

17. Related Party Transactions

During the year the charity received IT services from Tristar Tech Solutions Limited for which it paid £2,109 (2021:£1,182). Mr Omar Megerisi and Mr Hazem Megerisi are directors of Tristar Tech Solutions Limited. There were no other related party transactions during the year (2021: None).

18. Indemnity insurance

An insurance premium of £1,676 (2021: £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.

19. Capital commitments

As mentioned in the Trustees Report the investment property at St John Street, London EC1 is undergoing a programme of refurbishment. The Trust had a commitment to further capital spend as at 31 December 2022 of £1,728,405.

20. Ultimate controlling party

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

ELRAHMA CHARITY TRUST

England & Wales - Charity number 1026927

Accounts

Elrahma Charity Trust

(formerly Charity Islamic Trust Elrahma)

Annual report and financial statements

for the year ended 31 December 2021

Charity Registration Number 1026927

Elrahma Charity Trust

Annual report and financial statements for the year ended 31 December 2021

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Elrahma Charity Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr. Abubaker Megerisi	(Chairman)
	Mr. Omar Megerisi	
	Mr. Otman Megerisi	
	Mr. Hazem Megerisi	
	Mr. Mohamed Megerisi	
	Mr. Ali Abubaker Megerisi	
	Mr. Ahmed Tarek Megerisi	
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 4th 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 2021

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2021. 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 London Institute of Finance and Banking.

11 to 35 St. John's Street, London EC1, was let to WPP Group Limited until December 2018 when the property became vacant. It is currently undergoing an extensive refurbishment in preparation for reletting.

An independent valuation of the freehold investment properties as at 31 December was undertaken in October 2022 by Ms Emma Bailey 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 £29,550,000.

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. This aspect of its activities the properties concerned have been separately identified as Programme Related Investments in the accounts.

Report of the Trustees for the year ended 31 December 2021 (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 2021 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 £369,073 (2020: £235,195). The total number of students who received educational grants was 14 and the total amount of grants awarded to these students was £111,642 (2020: £145,200). The financial relief to poor families amounted to £44,845 (2020: £44,637).

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 (2020: None).

FINANCIAL REVIEW

The income for the year ended 31 December 2021 was £397,929 (2020: £947,747). During the year the investment properties were revalued which resulted in a loss on revaluation of £994,403. Investment income of £332,234 (2020: £694,547) was supplemented by income received in respect of a property sold in 2016 of £65,695.

The cost of charitable activities, excluding governance costs, was £897,203 (2020: £860,540). The Governance costs amounted to £13,642 (2020: £14,238). The operating loss for this period was £1,507,319 (2020: operating income £72,969) and at the year end, the aggregate value of the funds was £53,763,317 (2020: £55,270,636).

Consideration has been given to the impact on cash flow and the Trustees are satisfied that the Charity's cash reserves are more than adequate to offset any negative impact arising from the crisis.

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.

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 are expecting to spend 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.
Impact of Covid Crisis	Appropriate action has been taken to ensure the protection of all employees. The crisis is considered to have had a limited affect on the charity's activities and any risks are diminishing.
Reduction in applications received for charitable help.	A marketing plan for the Charity is under consideration.

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 progressing and should complete early in 2023. 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 2021 and up to 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.

Elrahma Charity Trust

Report of the Trustees
for the year ended 31 December 2021 (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
Trustee

27 October 2022

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 2021 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 2021 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.

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

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

10 Queen Street Place
London
EC4R 1AG

Date: 31st October 2022

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 2021

	Note	2021	2020
		£	£
Income from:			
Investments	2	**332,234**	694,547
Donations		**-**	-
Other income	6	**65,695**	253,200
Total Income		**397,929**	947,747
Expenditure on:			
Charitable activities	3, 4 & 5	**910,845**	874,778
Total expenditure		**910,845**	874,778
Net (expenditure)/income before losses on investments		**(512,916)**	72,969
Net (loss) on revaluation of investment properties		**(994,403)**	-
Net (expenditure)/income/movement in funds		**(1,507,319)**	72,969
Reconciliation of funds:			
Balance brought forward at 1st January 2021		**55,270,636**	55,197,667
Balance carried forward at 31 December 2021		**53,763,317**	55,270,636

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 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible fixed assets	7	**356**	475
Investment properties	8	**29,550,000**	29,695,586
Programme related investments	9	**3,363,363**	3,363,363
		32,913,719	33,059,424
Current assets			
Debtors	10	**156,764**	185,850
Cash at bank and in hand		**21,028,975**	22,356,687
		21,185,739	22,542,537
Current liabilities			
Creditors: amounts falling within one year	11(a)	**(260,254)**	(255,443)
Net current assets		**20,925,485**	22,287,094
Creditors: amounts falling due after more than one year	11(b)	**(75,887)**	(75,882)
Net assets		**53,763,317**	55,270,636
The funds of the charity:			
Unrestricted funds	12	**53,763,317**	55,197,667

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

Abubaker Megerisi
Trustee

17 October 2022

The accompanying notes form part of the financial statements

Elrahma Charity Trust

Statement of Cash Flows

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash (used in) operating activities (see below)	**(876,824)**	(943,934)
Cash flows from investing activities:		
Rents from investments	**332,234**	694,547
Gains from sale of property	**65,695**	253,200
Purchase of fixed assets	**(848,817)**	(104,080)
Net cash provided by investing activities	**(450,888)**	843,667
Change in cash and cash equivalents in the year	**(1,327,712)**	(100,267)
Cash and cash equivalents at the start of the year	**22,356,687**	22,456,954
Cash and cash equivalents at the end of the year	**21,028,975**	22,356,687

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

Net income/(expenditure) for the year (as per the Statement of Financial Activities)	**(1,507,319)**	72,969
Adjustments for:		
Depreciation charges	**119**	159
Gains from sale of property	**(65,695)**	(253,200)
Loss on Investments	**994,403**	-
Rents from investments	**(332,234)**	(694,547)
Decrease/(Increase) in debtors	**29,086**	64,064
Increase/(decrease) in creditors	**4,816**	(133,379)
Net cash (used in) operating activities	**(876,824)**	(943,934)

ANALYSIS OF NET DEBT

	At 1 January 2021	Cash Flow	**At 31 December 2021**
Cash at bank and in hand	22,356,687	(1,327,712)	**21,028,975**
Total	22,356,687	(1,327,712)	**21,028,975**

Elrahma Charity Trust

Notes to the accounts
For the year ended 31 December 2021

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 2021, was undertaken in October 2022 by Ms Emma Bailey 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.

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.

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.

Notes to the accounts
For the year ended 31 December 2021 (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

	2021	2020
	£	£
Rental income	**330,000**	338,159
Dilapidation compensation	**-**	254,360
Interest receivable	**2,234**	102,028
	332,234	694,547

3. Charitable activities

	2021	2020
	£	£
Donations	**525,560**	425,032

Included in donations are educational grants to 14 individuals totalling £111,642 (2020: 13 individuals received £145,200)

Notes to the accounts
For the year ended 31 December 2021 (continued)

4. Support costs

	2021	2020
	£	£
Wages & salaries (Note 13)	**127,281**	126,706
Bank charges	**2,018**	1,264
Legal & professional fees	**68,554**	98,013
Rent and rates	**17,893**	17,249
Travel	**878**	2,332
Insurance	**40,637**	42,350
Communications	**2,358**	3,181
Electricity and gas	**11,244**	10,885
Depreciation	**119**	159
Dilapidation reinstatement costs	**-**	4,247
Security	**95,358**	113,365
Maintenance	**4,881**	15,555
Subscriptions and other	**323**	-
Stationery, postage and printing	**99**	199
	371,643	435,508

Governance Costs

	2021	2020
	£	£
Audit Fee	**10,592**	10,800
Tax advice	**950**	1,740
VAT and other advice	**2,100**	1,698
	13,642	14,238

Notes to the accounts
For the year ended 31 December 2021 (continued)

6 . Other Income

	2021	2020
	£	£
Income from sale of property	**65,695**	237,327
Coronavirus Job Retention Scheme claims	-	15,873
	65,695	253,200

7. Tangible fixed assets

	Office Equipment	Fixtures and Fittings	Total
	£	£	£
Cost/Valuation			
At 1 January and 31 December 2021	**1,784**	**511**	**2,295**
Accumulated Depreciation			
At 1st January 2021	1,416	404	1,820
Charge for year	92	27	119
At 31 December 2021	**1,508**	**431**	**1,939**
Net Book Value			
At 31 December 2021	**276**	**80**	**356**
At 31 December 2020	368	107	475

Notes to the accounts
For the year ended 31 December 2021 (continued)

8. Freehold Investment Properties

	2021	2020
	£	£
Valuation		
At 1 January 2021	**29,695,586**	29,591,506
Additions	**848,817**	104,080
Revaluation	**(994,403)**	-
At 31 December 2021	**29,550,000**	29,695,586

As mentioned in note 1, freehold investment properties were re-valued with an effective date of 31 December 2021 by Mrs Emma Bailey 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.

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.

9. Programme related investments

	2021	2020
	£	£
As at 1 January and 31 December 2021	**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. Debtors: amount falling due within one year

	2021	2020
	£	£
Other debtors and prepayments	**156,764**	185,850

Notes to the accounts
For the year ended 31 December 2021 (continued)

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

	2021	2020
	£	£
Trade creditors	**155,132**	41,798
Deferred income	**81,983**	81,532
Accruals	**8,580**	8,518
Taxation	**14,559**	123,595
Other tax and social security	**-**	-
	260,254	255,443

	2021	2020
	£	£
Deferred income at 1 January 2021	**81,532**	80,502
Received/(released) in year	**451**	1,030
Deferred income at 31 December 2021	**81,983**	81,532

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

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

	2021	2020
	£	£
Rental deposit due	**75,887**	75,882

Notes to the accounts
For the year ended 31 December 2021 (continued)

12.Unrestricted Funds

	2021	2020
	£	£
Balance at 1st January 2020	**55,270,636**	55,197,667
Net movement of funds during the year	**(512,916)**	72,969
Balance at 31 December 2020	**54,757,720**	55,270,636

13. Employees

The average monthly number of persons employed by the trust was 4 (2020: 4). See below:

	2021	2020
	£	£
Staff costs (for the above persons)		
Wages and salaries	**119,206**	118,459
Social security	**10,358**	10,339
Employers NIC allowance	**(4,000)**	(4,000)
Pensions	**1,717**	1,911
	127,281	126,709

No employee earned £60,000 or more (2020: 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.

Notes to the accounts
For the year ended 31 December 2021 (continued)

14. Operating lease receivables

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

	2021	2020
Land and Buildings	**£**	£
Within one year	**330,000**	330,000
Between one and two years	**95,157**	660,000
Between two and five years	**-**	95,157
	425,157	1,085,157

15. 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 (2020: none).

16. Related Party Transactions

During the year the charity received IT services from Tristar Tech Solutions Limited for which it paid £1,182 (2020:£1,001). Mr Omar Megerisi and Mr Hazem Megerisi are directors of Tristar Tech Solutions Limited. There were no other related party transactions during the year (2020: None).

17. Indemnity insurance

An insurance premium of £1,676 (2020: £1,360) 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.

18. Capital commitments

As mentioned in the Trustees Report the investment property at St John Street, London EC1 is undergoing a programme of refurbishment. The Trust has committed to a capital spend as at 31 December 2021 of £9,296,327.

19. Ultimate controlling party

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

ELRAHMA CHARITY TRUST

England & Wales - Charity number 1026927

Accounts

Elrahma Charity Trust

(formerly Charity Islamic Trust Elrahma)

Annual report and financial statements

for the year ended 31 December 2020

Charity Registration Number 1026927

Elrahma Charity Trust

Annual report and financial statements for the year ended 31 December 2020

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Elrahma Charity Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr. Abubaker Megerisi	(Chairman)
	Mr. Omar Megerisi	
	Mr. Otman Megerisi	
	Mr. Hazem Megerisi	
	Mr. Patrick D Daniels (deceased 27 February 2020)	
	Mr. Mohamed Megerisi	
	Mr. Ali Abubaker Megerisi	
	Mr. Ahmed Tarek Megerisi	
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 4th 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 2020

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2020. 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 London Institute of Finance and Banking.

11 to 35 St. John's Street, London EC1, was let to WPP Group Limited until December 2018 when the property became vacant.

In October 2019 an independent valuation of the freehold investment properties was undertaken by Ms Emma Bailey MRICS of Cushman & Wakefield LLP which resulted in a valuation of the properties as at 31 December 2018 at £29,450,000. The Trustees have reviewed the position at 31 December 2020 and are of the opinion that, given the current changes to the one property and amounts being spent to refurbish it, and the other being let on the same terms as the previous year, that there has been no material movement in the valuation.

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. This aspect of its activities the properties concerned have been separately identified as Programme Related Investments in the accounts.

Report of the Trustees for the year ended 31 December 2020 (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 2020 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 1 and the total value of this donation was £235,195 (2019: £450,975). The total number of students who received educational grants was 113 and the total amount of grants awarded to these students was £145,200 (2019: £148,058). The financial relief to poor families amounted to £44,637 (2019: £53,556).

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 (2019: None).

FINANCIAL REVIEW

The income for the year ended 31 December 2020 was £947,747 (2019: £1,004,660). Investment income of £694,547 (2019: £675,011) was supplemented by income received in respect of a property sold in 2016 of £253,200.

The cost of charitable activities, excluding governance costs, was £860,540 (2019: £1,286,278). The Governance costs amounted to £14,238 (2019: £8,610). The operating income for this period was £72,969 (2019 - : operating loss £290,228) and at the year end, the aggregate value of the funds was £55,270,636 (2019: £55,197,667).

Consideration has been given to the impact on cash flow and the Trustees are satisfied that the Charity's cash reserves are more than adequate to offset any negative impact arising from the crisis.

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.

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

Elrahma Charity Trust

Report of the Trustees
for the year ended 31 December 2020 (continued)

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.

Whilst the Trustees have substantial cash reserves they are expecting to spend a significant sum in the refurbishment of one of its properties. Once the amount needed to fund this is clear to the Trustees it is their plan to invest any further surplus 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.
Impact of Covid Crisis	Appropriate action has been taken to ensure the protection of all employees. The crisis is considered to have a limited affect on the charity's activities. The Trustees are keeping the impact of the crisis under review to the extent that it impacts on its investment property.
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 2020 (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. Following the vacation of the St John Street property the Trustees are pursuing a plan of refurbishment 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.

The Trustees are mindful of the potential need for charitable help arising from the impact of the Coronavirus outbreak and will provide help should a suitable need be identified.

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 2020 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 (Deceased 27 February 2020)
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.

Report of the Trustees
for the year ended 31 December 2020 (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.

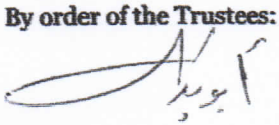
Information provided to auditors

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
Trustee

28 October 2021

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 2020 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 2020 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.

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

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 with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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] 29th October 2021

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 2020

	Note	2020	2019
		£	£
Income from:			
Investments	2	**694,547**	675,011
Donations		**-**	-
Other income	6	**253,200**	329,649
Total Income		**947,747**	1,004,660
Expenditure on:			
Charitable activities	3, 4 & 5	**874,778**	1,294,888
Total expenditure		**874,778**	1,294,888
Net income/(expenditure)		**72,969**	(290,228)
Reconciliation of funds:			
Balance brought forward at 1st January 2020		**55,197,667**	55,487,895
Balance carried forward at 31 December 2020		**55,270,636**	55,197,667

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 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible fixed assets	7	475	634
Investment properties	8	29,695,586	29,591,506
Programme related investments	9	3,363,363	3,363,363
		33,059,424	32,955,503
Current assets			
Debtors	10	185,850	249,914
Cash at bank and in hand		22,356,687	22,456,954
		22,542,537	22,706,868
Current liabilities			
Creditors: amounts falling within one year	11(a)	(255,443)	(388,851)
Net current assets		22,287,094	22,318,017
Creditors: amounts falling due after more than one year	11(b)	(75,882)	(75,853)
Net assets		55,270,636	55,197,667
The funds of the charity:			
Unrestricted funds	12	55,270,636	55,197,667

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 2021

The accompanying notes form part of the financial statements

Elrahma Charity Trust

Statement of Cash Flows

	2020	2019
	£	£
Cash flows from operating activities:		
Net cash (used in) operating activities (see below)	**(930,034)**	(1,414,236)
Cash flows from investing activities:		
Rents from investments	**694,547**	675,011
Gains from sale of property	**253,200**	567,000
Purchase of fixed assets	**(104,080)**	(141,506)
Net cash provided by investing activities	**843,667**	1,100,505
Change in cash and cash equivalents in the year	**(86,367)**	(313,731)
Cash and cash equivalents at the start of the year	**22,456,954**	22,770,685
Cash and cash equivalents at the end of the year	**22,370,587**	22,456,954

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

Net income/(expenditure) for the year (as per the Statement of Financial Activities)	**72,969**	(290,228)
Adjustments for:		
Depreciation charges	**159**	317
Gains from sale of property	**(253,200)**	(567,000)
Rents from investments	**(694,547)**	(675,011)
Decrease/(Increase) in debtors	**64,064**	(149,996)
(Decrease)/increase in creditors	**(119,479)**	267,682
Net cash (used in) operating activities	**(930,034)**	(1,414,236)

ANALYSIS OF NET DEBT

	At 1 January 2020	Cash Flow	**At 31 December 2020**
Cash at bank and in hand	22,456,954	(86,367)	**22,370,587**
Total	22,456,954	(86,367)	**22,370,587**

Elrahma Charity Trust

Notes to the accounts
For the year ended 31 December 2020

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 was undertaken in October 2019 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 and are not depreciated.

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.

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 registered for VAT during the year 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.

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.

Notes to the accounts
For the year ended 31 December 2020 (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, 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.

2. Investment Income

	2020	2019
	£	£
Rental income	**338,159**	359,710
Dilapidation compensation	**254,360**	165,640
Interest receivable	**102,028**	149,661
	694,547	675,011

3. Charitable activities

	2020	2019
	£	£
Donations	**425,032**	652,589

Included in donations are educational grants to 13 individuals totalling £145,200 (2019: 17 individuals received £148,058)

Notes to the accounts
For the year ended 31 December 2020 (continued)

4. Support costs

	2020	2019
	£	£
Wages & salaries (Note 13)	**126,706**	121,083
Bank charges	**1,264**	2,462
Legal & professional fees	**98,013**	135,838
Rent and rates	**17,249**	22,674
Travel	**2,332**	659
Insurance	**42,350**	37,129
Communications	**3,181**	1,828
Electricity and gas	**10,885**	16,392
Depreciation	**159**	317
Dilapidation reinstatement costs	**4,247**	165,640
Security	**113,365**	121,543
Maintenance	**15,555**	6,289
Training	**-**	1,199
Stationery, postage and printing	**199**	636
	435,508	633,689

Governance Costs

	2020	2019
	£	£
Audit Fee	**10,800**	6,820
Tax advice	**1,740**	-
VAT advice	**1,698**	-
	14,238	6,820

Notes to the accounts
For the year ended 31 December 2020 (continued)

6 . Other Income

	2020	2019
	£	£
Income from sale of property	**237,327**	329,649
Coronavirus Job Retention Scheme claims	**15,873**	-
	253,200	329,649

7. Tangible fixed assets

	Office Equipment	Fixtures and Fittings	Total
	£	£	£
Cost/Valuation			
At 1 January and 31 December 2020	**1,784**	**511**	**2,295**
Accumulated Depreciation			
At 1st January 2020	1,293	368	1,661
Charge for year	123	36	159
At 31 December 2020	**1,416**	**404**	**1,820**
Net Book Value			
At 31 December 2020	**368**	**107**	**475**
At 31 December 2019	491	143	634

Notes to the accounts
For the year ended 31 December 2020 (continued)

8. Freehold Investment Properties

	2020	2019
	£	£
Valuation		
At 1 January 2020	**29,591,506**	29,450,000
Additions	**104,080**	141,506
At 31 December 2020	**29,695,586**	29,591,506

As mentioned in note 1 investment properties were re-valued on an open market basis in October 2019.

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.

9. Programme related investments

	2020	2019
	£	£
As at 1 January and 31 December 2020	**3,363,363**	3,363,363

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

10. Debtors: amount falling due within one year

	2020	2019
	£	£
Other debtors and prepayments	**185,850**	249,914

Notes to the accounts
For the year ended 31 December 2020 (continued)

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

	2020	2019
	£	£
Trade creditors	**41,798**	-
Deferred income	**81,532**	80,502
Accruals	**8,518**	68,371
Taxation	**123,595**	237,351
Other tax and social security	**-**	2,627
	255,443	388,851

	2020	2019
	£	£
Deferred income at 1 January 2020	**80,502**	84,378
Received/(released) in year	**1,030**	(3,876)
Deferred income at 31 December 2020	**81,532**	80,502

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

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

	2020	2019
	£	£
Rental deposit due	**75,882**	75,853

Notes to the accounts
For the year ended 31 December 2020 (continued)

12. Unrestricted Funds

	2020	2019
	£	£
Balance at 1st January 2020	**55,197,667**	55,487,895
Net movement of funds during the year	**72,969**	(290,228)
Balance at 31 December 2020	**55,270,636**	55,197,667

13. Employees

The average monthly number of persons employed by the trust was 4 (2019: 4). See below:

	2020	2019
	£	£
Staff costs (for the above persons)		
Wages and salaries	**118,459**	113,056
Social security	**10,339**	9,781
Employers NIC allowance	**(4,000)**	(3,000)
Redundancy	**-**	-
Pensions	**1,911**	1,246
	126,709	121,083

No employee earned £60,000 or more (2019: 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.

Notes to the accounts
For the year ended 31 December 2020 (continued)

14. Operating lease receivables

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

	2020	2019
Land and Buildings	**£**	£
Within one year	**330,000**	330,000
Between one and two years	**425,157**	660,000
Between two and five years	**-**	95,157
	755,157	1,085,157

15. 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 (2019: none).

16. Related Party Transactions

During the year the charity received IT services from Tristar Tech Solutions Limited for which it paid £1,001 (2019:£689). Mr Omar Megerisi and Mr Hazem Megerisi are directors of Tristar Tech Solutions Limited. There were no other related party transactions during the year (2019: None).

17. Indemnity insurance

An insurance premium of £1,676 (2019: £1,360) 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.

18. Ultimate controlling party

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