

Mercy Universal

Trustees' Report and Financial Statements

For The Year Ended 26 June 2021

Charity Registration No: 1 0 8 3 6 3 1

**ZAIDI AND CO.
CHARTERED ACCOUNTANTS**

241 Mitcham Road, London SW17 9JQ
Telephone: 0208 767 2300, Fax: 0208 767 9110

Mercy Universal

Information

Trustees	Mr. Nazir Ahmed (Chairman) Dr. A. Hussain Mr. Atif Syed Mr. Javed Aziz
Accountants	Zaidi and Co Chartered Accountants 241 Mitcham Road London SW17 9JQ
Correspondence Address	194 Dunstable Road Bedfordshire Luton, LU4 8JJ
Bankers	National Westminster Bank Plc Leicester Customer Service Centre 11 Western Boulevard Leicester LE2 7EJ Cash Plus PO Box 5525 Manchester M61 0QS
Charity Reg Number	1 0 8 3 6 3 1

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Mercy Universal

Report of the Trustees

For the year ended 26 June 2021

The Trustees present their report together with the financial statements of the charity for the year ended 26 June 2021. The trustees adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 for preparing this report.

The Trustees

The trustees who served the charity during the period were as follows:

Mr Nazir Ahmed (Chairman)
Dr A Hussain
Mr Atif Syed
Mr Javed Aziz

Governing Instrument

The charity is governed by a deed of trust dated on 27th day of October 2000 and was registered with the Charities Commission under number 1083631.

Recruitment and appointment of Trustees

For recruitment of trustees we engage those people who are professionals, businessmen or community workers. They should have no criminal background and also should be referred by two professionals like doctors, lecturers, solicitors. They have to be committed to play their roles and actively participate in the welfare of the organisation and humanitarian issues.

Objects of the Trust Fund

The objects of the charity as stated in the deed of trust are:

- To relieve sickness and poverty.
- To provide relief to poor, sick and needy people
- To participate in humanitarian programs involving rehabilitation, health care, education, and to provide social and economic support.

Achievements and Performance

The charity engaged in providing the humanitarian relief work by providing support to orphans and widows and in various water projects during the current reporting period.

Accounting Policies

The accounting policies adopted by the charity are detailed in Note 1 to the financial statements. There have been no changes to the accounting policies during the period.

Reserve Policy

We keep reserves for any eventuality and emergencies and from time to time spend from the reserves if the donations do not suffice to run the projects. We had a policy of keeping separate accounts for reserves but as the donations have been fewer over last years, here it was not possible to maintain it.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that the systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Mercy Universal

Report of the Trustees

For the year ended 26 June 2021

Availability of Assets to fulfil obligation

The charity has adequate reserves to fulfil its charitable obligations and to cover operating costs, unforeseen expenditure and/or shortfalls in income.

Summary of the year's activities 2019-2020

During the year, 60 vocational training centers which provide training for tailoring, embroidery and computer skills were sponsored and supported by Mercy Universal in Jammu and Kashmir.

Mercy Universal in partnership with local charities and volunteers on the ground was able to provide respite, including medicine and food to poor and needy in Jammu and Kashmir under Food security and Livelihood (FSL) program.

Support for the patients with chronic illness needing lifetime care continued as previous years.

Under Building Brighter Futures orphans across Jammu and Kashmir were provided full or partial support in partnership with local charities and has been continuing from many years.

Mercy universal carried out Ramadhan Iftaar program projects this year as well. Foods packs were distributed to marginalised families for the month of fasting. On auspicious occasion of Eid of Qurbani was carried out in both sides of Kashmir and more than 3000 individuals benefited.

Mercy Universal has been supporting students to realise their dreams within Jammu and Kashmir and students who are pursuing their education in international universities. Mercy Universal provided support to numerous students at high school and college levels to continue their education in Jammu and Kashmir and at higher education level in different countries.

Scholarship Programme:

Mercy Universal in partnership with the partners awarded various types of scholarships directly to the students of J & K . Presently, the scholarship details are as follows:-

- a) 8th to 12th grade scholarship
- b) Post-Matric scholarship
- c) Professional scholarship for Medical, Engineering, Agriculture and other courses.
- d) Free-ship in educational Institutions (preferably orphans) and (full concession)
- e) financially poor students. (partial concession)
- f) Economically struggling students in various countries.

Orphan Development Programme :

The assistance is provided for:

- i) Educational Development viz. tuition fee, books uniform and stationery etc.
- ii) Health care viz. Regular medical check-up, conducting of medical tests and providing medicines etc.
- iii) Personality development viz. interactive sessions, entertainment, excursions, and camps etc.

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Report of the Trustees

For the year ended 26 June 2021

Social/Emergencies/Water projects:

- a) Providing financial assistance for marriages of poor and deserving girls.
- b) Providing emergent relief during earth quake, fire hazards, floods etc.
- c) Provide drinking water etc.
- d) Help persons displaced due to conflicts in their rehabilitation.
- e) Financial assistance on the eve of Eid to widows and orphan girls
- f) Distribution of blankets etc. during winter

During the last 32 years of turmoil in the state, the number of orphans has increased tremendously. The serious efforts are being made to reach to the families of orphans and providing of assistance to these orphans is among the priority sectors of the organization.

Trustee's responsibilities in relation to financial statements

Law applicable to the charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Observe the methods and principles in the Charities SORP;
- State whether applicable accounting standards and statement of recommended practice have been followed subjects to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping financial records which disclosed 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 (Accounts and Reports) Regulations 2008. 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.

Signed and approved on behalf of the trustees on19/04/22

.....
Mr Nazir Ahmed
Trustee

.....
Dr A Hussain
Trustee

INDEPENDENT EXAMINERS' REPORT TO

The Trustees of Mercy Universal

For the year ended 26 June 2021

We report on the accounts of the Charity for the year ended 26 June 2021, which are set out on pages 5 to 10.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is our responsibility to:

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

Basis of independent examiners' report

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

Independent examiners' statement

In connection with our examination, no matter has come to our attention:

- which gives us reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or

Except for adequate controls over the distribution of funds transmitted abroad (as the Trustees had no control over the charity's funds after the funds have left the UK); subject to above, in our opinion, the financial statements give a true and fair view of the state of the charity's affairs as at 26 June 2021 and of its incoming resources and applications of resources for the year then ended and have been properly prepared in accordance with Charities Act 2011.

Zaid & Co

ZAIDI & CO

CHARTERED ACCOUNTANTS

241 Mitcham Road

London

SW17 9JQ

Date: *20/4/22*

Mercy Universal
Statement of Financial Activities
For the Year Ended 26 June 2021

	Notes	Restricted Fund	Unrestricted Fund	2021 Total Fund	2020 Total Fund
Incoming Resources					
Donations received		-	61,401	61,401	95,367
Zakat		86	-	86	30
Sadqa		4,050	-	4,050	960
Gift Aid received		-	28,066	28,066	-
Total Incoming Resources		<u>4,136</u>	<u>89,467</u>	<u>93,603</u>	<u>96,357</u>
Resources Expanded					
Direct charitable expenditure	2	-	65,274	65,274	63,177
Fundraising costs	3	-	25,715	25,715	26,754
Managing and administration	4	-	12,056	12,056	25,251
Other resources	5	-	639	639	807
Total Resources Expanded		<u>-</u>	<u>103,684</u>	<u>103,684</u>	<u>115,989</u>
Net Incoming/(Outgoing) Resources for the year		4,136	(14,217)	(10,081)	(19,632)
Total funds at 27 June 2020		-	121,726	121,726	141,358
Total funds at 26 June 2021		<u>4,136</u>	<u>107,509</u>	<u>111,645</u>	<u>121,726</u>

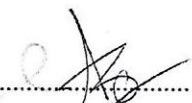
Mercy Universal

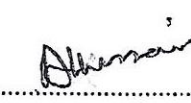
Balance sheet

as at 26 June 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8		46		56
Tangible assets	9		3,132		3,621
			<u>3,178</u>		<u>3,677</u>
Current assets					
Cash at bank and in hand		121,983		134,565	
Current liabilities					
Sundry payables and accruals	11	7,169		16,516	
Net current assets			114,814		118,049
Total assets less current liabilities			<u>117,992</u>		<u>121,726</u>
Accumulated Fund Account					
Unrestricted Funds b/fwd			121,726		141,358
Prior Year Adjustments	14		6,347		
Excess of Expenditure Over Income			(10,081)		(19,632)
			<u>117,992</u>		<u>121,726</u>

Signed on behalf of the Trustees


Mr Nazir Ahmed


Dr A Hussain

Approved by the Trustees on: 19/4/22

Mercy Universal

Notes to the accounts

for the year ended 26 June 2021

1. Accounting policies

1.1. Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Charity (Accounts and Reports) Regulations, applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities.

1.2. Charitable Contributions

These represents amounts receivable from donors towards the general running of the charity.

1.3. Intangible and Tangible fixed assets and depreciation

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

Intangible Assets	-	18% Straight Line
Computer Equipment	-	18% Reducing Balance
Fixtures & fittings	-	18% Reducing Balance

2. Direct Charitable Expenditure

	2021 £	2020 £
Donations made	62,674	53,177
Local Programme	2,600	10,000
	<u>65,274</u>	<u>63,177</u>

3. Fundraising Costs

	2021 £	2020 £
Advertising and promotions	9,360	8,007
Support and Fundraising costs	14,933	15,550
Telephone, fax and internet	1,411	3,020
Travelling	11	177
	<u>25,715</u>	<u>26,754</u>

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Notes to the accounts

for the year ended 26 June 2021

4. Management and Administration Expenses	2021	2020
	£	£
Staff salaries	-	10,000
Offices rent and service charges	4,288	6,448
Rates	158	483
Insurance	79	890
Light & heat	-	2,315
Printing, postage and stationery	1,278	1,175
Legal and professional Fees	2,370	-
Bookkeeping Fees	1,200	1,200
Accountancy fees	1,800	1,800
Bank charges	97	139
Merchant charges	141	801
Membership Fees	-	-
	<u>12,056</u>	<u>25,251</u>
5. Other Resources	2021	2020
	£	£
Ammortisation on intangible assets	10	12
Depreciation on tangible assets	629	795
	<u>639</u>	<u>807</u>
7. Staff Costs	2021	2020
	£	£
Admin Costs		
Dr Ashfaq Hussain (Trustee and Executive Manager)	-	5,000
Other Staff wages		11,409
	<u>-</u>	<u>16,409</u>

Mercy Universal

Notes to the accounts

for the year ended 26 June 2021

8. Intangible fixed assets

	Software	Total
	£	£
Cost		
At 27 June 2020	2,316	2,316
At 26 June 2021	<u>2,316</u>	<u>2,316</u>
Provision for diminution in value		
At 27 June 2020	2,260	2,260
Charge for year	10	10
at 26 June 2021	<u>2,270</u>	<u>2,270</u>
Net book values		
At 26 June 2021	<u>46</u>	<u>46</u>
At 26 June 2020	<u><u>56</u></u>	<u><u>56</u></u>

9. Tangible assets

	Fixtures Fittings	Equipment	Total
	£	£	£
Cost			
At 27 June 2020	25,386	16,765	42,151
Additions	141	-	141
At 26 June 2021	<u>25,527</u>	<u>16,765</u>	<u>42,292</u>
Depreciation			
At 27 June 2020	25,093	13,438	38,531
Charge for the year	78	551	629
At 26 June 2021	<u>25,171</u>	<u>13,989</u>	<u>39,160</u>
Net book values			
At 26 June 2021	<u>356</u>	<u>2,776</u>	<u>3,132</u>
At 26 June 2020	<u><u>293</u></u>	<u><u>3,327</u></u>	<u><u>3,620</u></u>

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Notes to the accounts

for the year ended 26 June 2021

11. Current liabilities	2021	2020
	£	£
Taxes and social security costs	4,169	4,169
Accruals	3,000	12,347
	<u>7,169</u>	<u>16,516</u>
12. Analysis of Net Assets between Funds	2021	2020
	£	£
Fund balances at 26 June 2021 are represented by:		
Tangible Fixed assets	3,132	3,621
Intangible Asset	46	56
Current Assets	121,983	134,565
Current Liabilities	(7,169)	(16,516)
Total Net Assets	<u>117,992</u>	<u>121,726</u>

13. Related Party Transactions

Mr. Nazir Ahmed and Dr. A. Hussain are Trustees of Mercy Universal.

No transactions took place between the Mercy Universal and the Trustees during the financial period under review.

14. Prior Year Adjustment

Prior period adjustment of £6,347 is previous years accounting fees written off.

Mercy Universal

Income and Expenditure Account

for the year ended 26 June 2021

	2021		2020	
	£	£	£	£
Income				
Donation received- Unrestricted		61,401		95,397
Sadqa (Restricted Funds)		86		70
Zakat (Restricted funds)		4,050		921
		<u>65,537</u>		<u>96,357</u>
Expenditure				
Charitable Donations	53,981		50,277	
Qurbanis Donations	8,693		-	
UK Charitable Donations	-		2,900	
Advertising & promotions	9,360		8,007	
Local Programme	2,600		10,000	
Support and Fundraising costs	14,933		15,550	
Telephone, fax and internet	1,411		3,020	
Travelling	11		177	
Staff salaries	-		10,000	
Offices rent and service charges	4,288		6,448	
Rates	158		483	
Insurance	79		890	
Light & heat	-		2,315	
Printing, postage and stationery	1,278		1,175	
Computer & networking costs	445		-	
Legal and professional Fees	2,370		-	
Bookkeeping Fees	1,200		1,200	
Accountancy fees	1,800		1,800	
Bank charges	97		139	
Merchant Chargers	141		801	
Sundry expenses	200		-	
Ammortisation on intangible assets	10		12	
Depreciation on tangible assets	629		795	
Gift Aid	<u>28,066</u>		<u>-</u>	
		(103,684)		(115,989)
Excess of expenditure over income		<u>(10,081)</u>		<u>(19,632)</u>