

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 July 2021
for
MOUNTAIN OF MERCY**

SKM Chartered Accountants
Pegasus House
5 Winckley Court
Mount Street
Preston
Lancashire
PR1 8BU

MOUNTAIN OF MERCY
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FOR THE YEAR ENDED 31 JULY 2021

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MOUNTAIN OF MERCY
Report of the Trustees
FOR THE YEAR ENDED 31 JULY 2021

The trustees present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charity are:

1. The relief of financial need and suffering amongst victims of natural or other kinds of disaster and trouble in the form of money (or other means deemed suitable).
2. The advancement of education, in particular for young people of all religions and ethnic backgrounds.
3. To help young people develop their physical, mental, spiritual and moral capacities so they mature as individuals with opportunities to excel in society.

Main activities

How our activities deliver public benefit

The charity carries out a range of activities in accordance with its charitable aims. The trustees consider these activities summarised below provide benefit and aid to those in need of financial relief.

Currently, the charity is undertaking the following activities:

- > Food and shelter for refugees
- > Income generating projects
- > The relief of financial need and suffering amongst victims of natural or other kinds of disaster and trouble in the form of money (or other means deemed suitable);
- > The construction of water wells to meet basic human needs.
- > Distribution of winter essentials to harsh stricken countries in the form of clothes, blankets as part of the "The winter project"
- > The construction of water desalination unit for clean water.

Volunteers

Many volunteers give up their time to help out the charity, particularly at the weekend and in the evenings to help with collecting donations and promoting the charity.

We are greatly indebted to these volunteers for their commitment and support.

MOUNTAIN OF MERCY
Report of the Trustees
FOR THE YEAR ENDED 31 JULY 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the charity undertook the following projects and activities:

- > The ongoing construction of Water wells in various locations of Sri Lanka, at Pealed, Welshmen, Giotto, Pandoura, Kuchen's and Atahualpa
- > Distribution of Food Parcels to various countries including the Rohingya refugees
- > The construction of water wells in Bangladesh Satkhira district
- > Qurbani Meat distribution in Africa
- > Kenya Food distribution for Orphans
- > Aid for Refugees in the form of blankets and clothes
- > The construction of a water desalination plant for clean drinking water.

FINANCIAL REVIEW

Reserves policy

The General fund represents funds arising from current operating results. The trustees are satisfied that the balance of the fund will enable the charity to meet its objectives. The trustees have also examined the requirement to maintain reserves for the on going work of the charity and concluded that the most appropriate level is between 3 to 6 months of operational expenditure.

FUTURE PLANS

We plan to consolidate our current success and make our services available to a wider range of people. We also plan to look into further projects which will help us to fulfil our aims and objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Mountain of Mercy is constituted under a Trust Deed adopted on the 20th February 2005. Mountain of Mercy was registered as a charity with the Charities Commission on the 15th July 2005 (No:1110463)

Recruitment and appointment of new trustees

The members in the general meeting elect trustees or a maximum of three trustees may be co-opted by the Executive Committee.

All trustees hold office until the Annual General Meeting where trustees can offer themselves for re-election or re-appointment.

The appointment of the trustees is governed by the trust deed.

Organisational structure

The charity is controlled by the trustees who make up the Executive Committee. Details of the current trustees are set out below:

M Z Hafiz (Chairman)
F A Patel (General Secretary)
Miss F Ahmed
S Dalal

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1110463

MOUNTAIN OF MERCY
Report of the Trustees
FOR THE YEAR ENDED 31 JULY 2021

Principal address

Regent House
Regent Street
Blackburn
Lancashire
BB1 6BH

Trustees

M Z Hafiz
F A Patel
Miss F Ahmed
S Dalal

Independent Examiner

Shamim Mahomed
ICAEW
SKM Chartered Accountants
Pegasus House
5 Winckley Court
Mount Street
Preston
Lancashire
PR1 8BU

Bankers

HSBC Bank PLC
490 Great West Road
Hounslow
Middlesex
TW5 0TB

Approved by order of the board of trustees on 22 March 2022 and signed on its behalf by:

M Z Hafiz - Trustee

Independent Examiner's Report to the Trustees of Mountain of Mercy

Independent examiner's report to the trustees of Mountain of Mercy

I report to the charity trustees on my examination of the accounts of Mountain of Mercy (the Trust) for the year ended 31 July 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Shamim Mahomed
ICAEW
SKM Chartered Accountants
Pegasus House
5 Winckley Court
Mount Street
Preston
Lancashire
PR1 8BU

22 March 2022

MOUNTAIN OF MERCY

Statement of Financial Activities FOR THE YEAR ENDED 31 JULY 2021

		2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	263,456	249,099
EXPENDITURE ON			
Charitable activities	3		
Provision of Services			
Management & Administration		244,023 880	176,434 1,253
Total		244,903	177,687
NET INCOME		18,553	71,412
RECONCILIATION OF FUNDS			
Total funds brought forward		181,766	110,354
TOTAL FUNDS CARRIED FORWARD		200,319	181,766

The notes form part of these financial statements

MOUNTAIN OF MERCY

Balance Sheet 31 JULY 2021

		2021 Unrestricted fund £	2020 Total funds £
CURRENT ASSETS	Notes		
Cash at bank		200,559	182,005
CREDITORS			
Amounts falling due within one year	7	(240)	(239)
NET CURRENT ASSETS		<u>200,319</u>	<u>181,766</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		200,319	181,766
NET ASSETS		<u>200,319</u>	<u>181,766</u>
FUNDS	8		
Unrestricted funds		<u>200,319</u>	<u>181,766</u>
TOTAL FUNDS		<u>200,319</u>	<u>181,766</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 22 March 2022 and were signed on its behalf by:

M Z Hafiz - Trustee

MOUNTAIN OF MERCY

Notes to the Financial Statements FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	<u>263,456</u>	<u>249,099</u>

MOUNTAIN OF MERCY

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 JULY 2021

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 4) £	Totals £
Provision of Services			
	244,023	-	244,023
Management & Administration	-	880	880
	<u>244,023</u>	<u>880</u>	<u>244,903</u>

4. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Management & Administration	640	240	880
	<u>640</u>	<u>240</u>	<u>880</u>

Support costs, included in the above, are as follows:

Management

	2021 Management & Administration £	2020 Total activities £
Advertising	-	30
Repair & Renewal	-	160
Bank charges	640	823
	<u>640</u>	<u>1,013</u>

Governance costs

	2021 Management & Administration £	2020 Total activities £
Accountancy and legal fees	240	240
	<u>240</u>	<u>240</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2021 nor for the year ended 31 July 2020.

MOUNTAIN OF MERCY

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 JULY 2021

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	249,099
EXPENDITURE ON	
Charitable activities	
Provision of Services	
Management & Administration	176,434 1,253
Total	177,687
NET INCOME	71,412
RECONCILIATION OF FUNDS	
Total funds brought forward	110,354
TOTAL FUNDS CARRIED FORWARD	181,766

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accrued expenses	240	239

8. MOVEMENT IN FUNDS

	At 1/8/20 £	Net movement in funds £	At 31/7/21 £
Unrestricted funds			
General fund	181,766	18,553	200,319
TOTAL FUNDS	181,766	18,553	200,319

MOUNTAIN OF MERCY

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 JULY 2021

8. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	263,456	(244,903)	18,553
TOTAL FUNDS	<u>263,456</u>	<u>(244,903)</u>	<u>18,553</u>

Comparatives for movement in funds

	At 1/8/19 £	Net movement in funds £	At 31/7/20 £
Unrestricted funds			
General fund	110,354	71,412	181,766
TOTAL FUNDS	<u>110,354</u>	<u>71,412</u>	<u>181,766</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	249,099	(177,687)	71,412
TOTAL FUNDS	<u>249,099</u>	<u>(177,687)</u>	<u>71,412</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/8/19 £	Net movement in funds £	At 31/7/21 £
Unrestricted funds			
General fund	110,354	89,965	200,319
TOTAL FUNDS	<u>110,354</u>	<u>89,965</u>	<u>200,319</u>

MOUNTAIN OF MERCY

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 JULY 2021

8. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	512,555	(422,590)	89,965
TOTAL FUNDS	<u>512,555</u>	<u>(422,590)</u>	<u>89,965</u>

9. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2021.

MOUNTAIN OF MERCY

Detailed Statement of Financial Activities FOR THE YEAR ENDED 31 JULY 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	263,456	249,099
Total incoming resources	263,456	249,099
EXPENDITURE		
Charitable activities		
Project construction costs	244,023	176,434
Support costs		
Management		
Advertising	-	30
Repair & Renewal	-	160
Bank charges	640	823
	640	1,013
Governance costs		
Accountancy and legal fees	240	240
Total resources expended	244,903	177,687
Net income	18,553	71,412

This page does not form part of the statutory financial statements