

AR-RAHMAH TRUST

England & Wales · Charity number 1121296

Details

Other names	AR-RAHMAH
Status	Registered
Legal form	Trust
Registered	2007-10-18
Register	View on the Charity Commission register

Contact

Address	203 St. Bernards Road Solihull West Midlands B92 7DL
Phone	07466730850
Email	info@ar-rahmah.org
Website	www.ar-rahmah.org

Activities

Objects: 1. THE ADVANCEMENT OF EDUCATION, RELIEF OF POVERTY AND THE PROMOTION AND PROTECTION OF GOOD HEALTH ANYWHERE IN THE WORLD.2. THE RELIEF OF SUFFERING AMONGST VICTIMS OF NATURAL OR OTHER KINDS OF DISASTER ANYWHERE IN THE WORLD.3. FOR SUCH GENERAL CHARITABLE PURPOSES ANYWHERE IN THE WORLD AS THE TRUSTEES MAY DEEM FIT FROM TIME TO TIME.

Activities: Ar-Rahmah Trust is working primarily on long term development for the most vulnerable women, young people and children.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

Geography

- **Area of benefit:** ASIA AND AFRICA
- Pakistan

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£44,651	£31,031	-	-
2024-03-31	£79,952	£137,953	-	-
2023-03-31	£120,342	£154,155	-	-
2022-03-31	£174,887	£98,913	-	-
2021-03-31	£503,635	£300,407	£588,338	2

Trustees

Name	Role	Appointed
MOHAMMED ASIF	Chair	
Imran Khan		2022-03-10
ZAKA ULLAH SALEEM		

AR-RAHMAH TRUST

England & Wales - Charity number 1121296

Accounts

Charity registration number: 1121296

Ar-Rahmah Trust

Annual Report and Financial Statements
for the Year Ended 31 March 2025

Ar-Rahmah Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 3
Statement of Trustees' Responsibilities	4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 17

Ar-Rahmah Trust

Reference and Administrative Details

Chairman	Mohammed Asif
Trustees	Mohammed Asif Imran Khan Zaka Ullah Saleem
Secretary	Zaka Ullah Saleem
Principal Office	203 St. Bernards Road SOLIHULL West Midlands B92 7DL
Charity Registration Number	1121296
Independent Examiner	Nasir Rafiq Independent examiner Bradfort Court 123-131 Bradfort Street Birmingham B12 ONS

Ar-Rahmah Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2025.

Objectives and activities

Objects and aims

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

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

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Message from Chairman

This year the charity has seen very low activity mainly due to the inability to transfer funds abroad. The charity banks with Al-Rayan Bank but with many restrictions in place which limits its operations in the UK such as fundraising as well as sending funds overseas.

The charity has made many attempts to open a bank account with various banks but without success so far. At the moment the charity is waiting for a decision by Barclays Bank regarding its application initiated several months ago. If that is successful it would make things easier for the charity.

The charity has been exploring the possibility of working in partnership with a local charity in order to continue the projects which came to a halt after the TSB bank account closure. There are a couple of charities that have offered to work with it. Due diligence checks are being carried out at the time of writing with a memorandum of understanding agreement to be set up. This is particularly important regarding the Ar-Rahmah School construction project, which the charity hopes to complete in the near foreseeable future.

On the note of the Ar-Rahmah School construction project, the good news is that most of the false cases made against the land of the project have been resolved. The whole land being in possession of the charity and all of it has been secured by a boundary wall. The next step is to establish a partnership with a local charity and complete the project.

No active fund-raising campaigns took place this year due to the restrictions on transferring money abroad without a suitable bank account. However, the charity managed to secure some funds for zakat, orphans, Zakat-ul-Fitr and some unrestricted funds which were disbursed and expended in Pakistan.

Structure, governance and management

Nature of governing document

The charity is set up by way of a Trust deed dated 02 October 2007, as amended by special resolution dated 29 June 2008. The charity registered with the Charity Commission on the 18 October 2007 (Registration number 1121296).

Ar-Rahmah Trust

Trustees' Report

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

30 January 2026

The annual report was approved by the trustees of the charity on and signed on its behalf by:



.....
Mohammed Asif
Chairman and Trustee

Ar-Rahmah Trust

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on and signed on its behalf by:

.....
Mohammed Asif
Chairman and Trustee

Ar-Rahmah Trust

Independent Examiner's Report to the trustees of Ar-Rahmah Trust

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2025 which are set out on pages 6 to 17.

Respective responsibilities of trustees and examiner

As the charity's trustees of Ar-Rahmah 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 Ar-Rahmah Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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 Ar-Rahmah 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 accounting 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.

Nasir Rafiq

.....
Nasir Rafiq
Independent examiner
ICAEW

Bradford Court
123-131 Bradford Street
Birmingham
B12 0NS

30 January 2026
Date:.....

Ar-Rahmah Trust

Statement of Financial Activities for the Year Ended 31 March 2025

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £
Income and Endowments from:				
Donations and legacies		36,641	8,010	44,651
Expenditure on:				
Charitable activities		<u>(18,466)</u>	<u>(12,565)</u>	<u>(31,031)</u>
Total expenditure		<u>(18,466)</u>	<u>(12,565)</u>	<u>(31,031)</u>
Net income/(expenditure)		<u>18,175</u>	<u>(4,555)</u>	<u>13,620</u>
Net movement in funds		18,175	(4,555)	13,620
Reconciliation of funds				
Total funds brought forward		<u>5,243</u>	<u>572,099</u>	<u>577,342</u>
Total funds carried forward	12	<u>23,418</u>	<u>567,544</u>	<u>590,962</u>
		Unrestricted funds £	Restricted funds £	Total 2024 £
	Note			
Income and Endowments from:				
Donations and legacies		<u>13,853</u>	<u>66,099</u>	<u>79,952</u>
Total income		<u>13,853</u>	<u>66,099</u>	<u>79,952</u>
Expenditure on:				
Raising funds		(15,794)	-	(15,794)
Charitable activities		<u>(40,283)</u>	<u>(81,876)</u>	<u>(122,159)</u>
Total expenditure		<u>(56,077)</u>	<u>(81,876)</u>	<u>(137,953)</u>
Net expenditure		<u>(42,224)</u>	<u>(15,777)</u>	<u>(58,001)</u>
Net movement in funds		(42,224)	(15,777)	(58,001)
Reconciliation of funds				
Total funds brought forward		<u>33,095</u>	<u>602,248</u>	<u>635,343</u>
Total funds carried forward	12	<u>(9,129)</u>	<u>586,471</u>	<u>577,342</u>

All of the charity's activities derive from continuing operations during the above two periods.

Ar-Rahmah Trust
(Registration number: 1121296)
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Current assets			
Cash at bank and in hand	10	622,944	599,947
Creditors: Amounts falling due within one year	11	<u>(31,982)</u>	<u>(22,605)</u>
Net assets		<u>590,962</u>	<u>577,342</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		567,544	586,471
Unrestricted income funds			
Unrestricted funds		<u>23,418</u>	<u>(9,129)</u>
Total funds	12	<u>590,962</u>	<u>577,342</u>

The financial statements on pages 6 to 17 were approved by the trustees, and authorised for issue on 30 January 2026 and signed on their behalf by:


.....
Mohammed Asif
Chairman and Trustee

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Ar-Rahmah Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Donations and legacies;				
Donations from individuals	36,641	8,010	44,651	79,952
	36,641	8,010	44,651	79,952

3 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Total 2025 £	Total 2024 £
Fundraising and Publicity	-	-	-	46,007
Education	-	-	-	170
Food Aid	-	-	-	876
Supporting orphans	-	7,275	7,275	56,390
Water Aid	-	5,290	5,290	882
Fidya	-	-	-	27,527
Health	-	-	-	1,814
General	17,026	-	17,026	1,837
Independent Examination	1,440	-	1,440	2,450
	18,466	12,565	31,031	137,953

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

In addition to the expenditure analysed above, there are also governance costs of £11,943 (2024 - £6,576) which relate directly to charitable activities. See note 4 for further details.

4 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Independent examiner fees			
Examination of the financial statements	1,440	1,440	2,450
Legal fees	5,343	5,343	1,376
Other governance costs	6,600	6,600	2,750
	13,383	13,383	6,576

5 Grant-making

Analysis of grants

The support costs associated with grant-making are £Nil (31 March 2024 - £Nil).

Below are details of material grants made to institutions.

Name of institution	Activity	2025 £	2024 £
Ar - Rahmah Trust (Pakistan)		-	6,000
Invest in property		-	28,088
Global Aid Solution		-	-
Boarding Complex		7,275	-
Al-Midrar Institute		3,000	62,160
Others		2,290	-
		12,565	96,248

6 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

2025
£

7 Staff costs

The aggregate payroll costs were as follows:

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

2025
No

No employee received emoluments of more than £60,000 during the year

8 Independent examiner's remuneration

	2025 £	2024 £
Examination of the financial statements	<u>1,440</u>	<u>2,450</u>

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Cash and cash equivalents

	2025 £	2024 £
Cash at bank	622,944	599,947

11 Creditors: amounts falling due within one year

	2025 £	2024 £
Other creditors	19,296	15,759
Accruals	12,686	6,846
	31,982	22,605

12 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
Unrestricted funds				
<i>General</i>				
General	5,243	36,641	(17,026)	24,858
Restricted funds				
Family Sponsorship	11,124	-	-	11,124
Fidya	(1,885)	-	-	(1,885)
Health	26,936	-	-	26,936
Orphans	122,798	-	-	122,798
Orphans - Boarding complex	225,637	3,555	(7,275)	221,917
Quran Memorisation	3,230	-	-	3,230
Qurbani	1,085	553	-	1,638
Ramadan Food Programe	12,661	-	-	12,661
Water Pump	44,320	3,902	(5,290)	42,932
Where Most Needed	9,227	-	-	9,227
Zakat	114,821	-	-	114,821
Zakat Al-Fitr	2,145	-	-	2,145
Total restricted funds	572,099	8,010	(12,565)	567,544
Total funds	577,342	44,651	(29,591)	592,402

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
General	33,095	13,853	(56,077)	(9,129)
Restricted funds	<u>602,248</u>	<u>66,099</u>	<u>(81,876)</u>	<u>586,471</u>
Total funds	<u>635,343</u>	<u>79,952</u>	<u>(137,953)</u>	<u>577,342</u>
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
<i>General</i>				
General	33,095	13,853	(41,705)	5,243
Restricted funds				
Family Sponsorship	9,787	1,392	(55)	11,124
Fidya	330	20	(2,235)	(1,885)
Health	19,137	9,139	(1,340)	26,936
Orphans	116,938	6,040	(180)	122,798
Orphans - Boarding complex	279,740	995	(55,098)	225,637
Quran Memorisation	979	2,295	(44)	3,230
Qurbani	-	1,608	(523)	1,085
Ramadan Food Programe	9,019	3,701	(59)	12,661
Water Pump	37,148	7,493	(321)	44,320
Where Most Needed	4,263	5,101	(137)	9,227
Zakat	124,897	25,971	(36,047)	114,821
Zakat Al-Fitr	<u>10</u>	<u>2,344</u>	<u>(209)</u>	<u>2,145</u>
Total restricted funds	<u>602,248</u>	<u>66,099</u>	<u>(96,248)</u>	<u>572,099</u>
Total funds	<u>635,343</u>	<u>79,952</u>	<u>(137,953)</u>	<u>577,342</u>

13 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds 2025 £
Current assets	55,400	567,544	622,944
Current liabilities	<u>(30,542)</u>	<u>-</u>	<u>(30,542)</u>
Total net assets	<u>24,858</u>	<u>567,544</u>	<u>592,402</u>

Ar-Rahmah Trust

Notes to the Financial Statements for the Year Ended 31 March 2025

	Unrestricted funds General £	Restricted funds £	Total funds 2024 £
Current assets	13,476	586,471	599,947
Current liabilities	(22,605)	-	(22,605)
Total net assets	(9,129)	586,471	577,342

AR-RAHMAH TRUST

England & Wales - Charity number 1121296

Accounts

Charity registration number: 1121296

AR-RAHMAH TRUST

Annual Report and Financial Statements

for the Year Ended 31 March 2024

AR-RAHMAH TRUST

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Trustees' Responsibilities	5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 18

AR-RAHMAH TRUST

Reference and Administrative Details

Chairman

Mohammed Asif

Trustees

Mohammed Asif

Imran Khan

Zaka Ullah Saleem

Secretary

Zaka Ullah Saleem

Principal Office

527 Moseley Road

Birmingham

B12 9BU

Charity Registration Number

1121296

Independent Examiner

Nasir Rafiq

Independent examiner

Bradfort Court

123-131 Bradfort Street

Birmingham

B12 ONS

AR-RAHMAH TRUST

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2024.

Objectives and activities

Objects and aims

a. Summary of objectives

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

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

b. Activities for achieving objectives

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

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

AR-RAHMAH TRUST

Trustees' Report

Public benefit

Since the charity suffered a devastating setback of the unexpected closure of its bank account by the TSB bank a few years ago, the charity's operation has gradually slowed down over the past three years. Although the charity is currently banking with Al-Rayan Bank, but with limited option of depositing the funds in as well as restricted services of making payments within the UK and abroad. The bank account issue has impacted the fundraising and expenditures of the charity seriously.

Despite many attempts to open a new bank account with various banks and money exchange companies, the charity struggled in sending funds abroad to carry out its projects. It was an extremely disappointing and frustrating year for the trustees.

However, through short term partnerships with an external organisations and by utilising lawful nonbank-bank fund transfer means, the charity managed to fund the following projects:

- Education
- Food Distribution
- Eye camps
- Zakat distribution
- Water Projects
- Orphans complex

The restrictions placed by the banking sectors in the UK and Pakistan have hampered the transfer of funds from the UK and therefore hindered the construction of the Ar-Rahmah Orphan Complex for which the donors have donated very generously.

The charity assures the donors that the land purchased for this project is still in its possession and the charity is making every effort to resume the construction of the project in near future. There were some legal issues regarding certain claimants to some of the land but the charity's legal team in Pakistan has got most of those matters resolved successfully. The charity now aims to fulfil the aspirations of so many of the donors who sacrificed much earned contributions in order to provide educational opportunities for deprived orphans in Pakistan.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

During the year, the charity raised income of £80k (2023: £120k) and incurred expenditure of £138k (2023: £154k). The carry forward reserves of the charity stood at £577k (2023: £635k).

Structure, governance and management

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

AR-RAHMAH TRUST

Trustees' Report

Cash flow risk

The charity’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.
Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity’s principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity’s credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.
The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.
The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.
Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

31 January 2025

The annual report was approved by the trustees of the charity on and signed on its behalf by:

Mohammed Asif

.....
Mohammed Asif
Chairman and Trustee

AR-RAHMAH TRUST

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

31 January 2025

Approved by the trustees of the charity on and signed on its behalf by:

Mohammed Asif

.....
Mohammed Asif
Chairman and Trustee

AR-RAHMAH TRUST

Independent Examiner's Report to the trustees of AR-RAHMAH TRUST

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2024 which are set out on pages 7 to 18.

Respective responsibilities of trustees and examiner

As the charity's trustees of AR-RAHMAH 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 AR-RAHMAH TRUST's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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 AR-RAHMAH 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 accounting 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.

.....
Nasir Rafiq
Independent examiner
Nasir Rafiq

Bradford Court
123-131 Bradford Street
Birmingham
B12 0NS

31 January 2025

Date:.....

AR-RAHMAH TRUST

Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies		13,853	66,099	79,952
Expenditure on:				
Raising funds		(15,794)	(30,212)	(46,006)
Charitable activities		(40,283)	(51,664)	(91,947)
Total expenditure		(56,077)	(81,876)	(137,953)
Net expenditure		(42,224)	(15,777)	(58,001)
Net movement in funds		(42,224)	(15,777)	(58,001)
Reconciliation of funds				
Total funds brought forward		33,095	602,248	635,343
Total funds carried forward	13	(9,129)	586,471	577,342
	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies		26,998	93,344	120,342
Total income		26,998	93,344	120,342
Expenditure on:				
Raising funds		(16,662)	(8,991)	(25,653)
Charitable activities		(15,279)	(113,222)	(128,501)
Total expenditure		(31,941)	(122,213)	(154,154)
Net expenditure		(4,943)	(28,869)	(33,812)
Gross transfers between funds		(2,808)	2,808	-
Net movement in funds		(7,751)	(26,061)	(33,812)
Reconciliation of funds				
Total funds brought forward		40,846	628,310	669,156
Total funds carried forward	13	33,095	602,249	635,344

All of the charity's activities derive from continuing operations during the above two periods.

AR-RAHMAH TRUST
(Registration number: 1121296)
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Current assets			
Cash at bank and in hand	11	599,947	637,121
Creditors: Amounts falling due within one year	12	(22,605)	(1,777)
Net assets		577,342	635,344
Funds of the charity:			
Restricted income funds			
Restricted funds		586,471	602,249
Unrestricted income funds			
Unrestricted funds		(9,129)	33,095
Total funds	13	577,342	635,344

31 January 2025 The financial statements on pages 7 to 18 were approved by the trustees, and authorised for issue on and signed on their behalf by:

Mohammed Asif
.....
Mohammed Asif
Chairman and Trustee

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

AR-RAHMAH TRUST meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Donations and legacies;				
Donations from individuals	13,853	66,099	79,952	120,342
	13,853	66,099	79,952	120,342

3 Expenditure on raising funds

Costs of generating donations and legacies

a)

Note	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Donations	-	30,212	30,212	-
Marketing and publicity	15,794	-	15,794	25,653
	15,794	30,212	46,006	25,653

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

**Total
2024
£**

4 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2024 £
Grant funding of activities		14,372	51,664	66,036
Governance costs		10,976	-	10,976
		<u>25,348</u>	<u>51,664</u>	<u>77,012</u>

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Education	1,156	1,413	2,569	-
Food Aid	2,675	3,268	5,943	9,387
Supporting Orphans	6,816	8,317	15,133	16,028
Water Aid	3,775	4,612	8,387	-
Fidya / Zakat	14,277	17,442	31,719	75,885
Health	4,604	5,625	10,229	27,202
General Fund	6,980	8,527	15,507	-
	<u>40,283</u>	<u>49,204</u>	<u>89,487</u>	<u>128,502</u>

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2024 £	Total 2023 £
Fundraising and Publicity	15,794	30,213	-	46,007	25,653
Education	44	-	126	170	9,387
Food Aid	94	490	292	876	75,885
Supporting orphans	558	55,088	744	56,390	27,202
Water Aid	470	-	412	882	16,028
Fidya	17,895	8,073	1,559	27,527	-
Health	-	1,309	505	1,814	-
General	-	1,075	762	1,837	-
Independent Examination	-	-	2,450	2,450	-
	<u>34,855</u>	<u>96,248</u>	<u>6,850</u>	<u>137,953</u>	<u>154,155</u>

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

£40,283 (2023 - £15,279) of the above expenditure was attributable to unrestricted funds and £49,204 (2023 - £113,223) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £10,976 (2023 - £Nil) which relate directly to charitable activities. See note 5 for further details.

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2024 £
Independent examiner fees		
Examination of the financial statements	2,450	2,450
Legal fees	1,376	1,376
Other governance costs	7,150	7,150
	10,976	10,976

6 Grant-making

Analysis of grants

The support costs associated with grant-making are £Nil (31 March 2023 - £Nil).

Below are details of material grants made to institutions.

Name of institution	Activity	2024 £	2023 £
Ar - Rahmah Trust (Pakistan)		6,000	-
Waqf project		28,088	-
Global Aid Solution		-	29,938
Muslim in need		-	54,050
Al-Midrar Institute		62,160	21,250
		96,248	105,238

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

2024
£

8 Staff costs

The aggregate payroll costs were as follows:

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Number of Employees	-	2

No employee received emoluments of more than £60,000 during the year

9 Independent examiner's remuneration

2024
£

Examination of the financial statements	2,450
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AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	599,947	637,121

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors	15,759	1,777
Accruals	6,846	-
	22,605	1,777

13 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
<i>General</i>				
General	33,095	13,853	(41,705)	5,243
Restricted funds				
Family Sponsorship	9,787	1,392	(55)	11,124
Fidya	330	20	(2,235)	(1,885)
Health	19,137	9,139	(1,340)	26,936
Orphans	116,938	6,040	(180)	122,798
Orphans - Boarding complex	279,740	995	(55,098)	225,637
Quran Memorisation	979	2,295	(44)	3,230
Qurbani	-	1,608	(523)	1,085
Ramadan Food Programe	9,019	3,701	(59)	12,661
Water Pump	37,148	7,493	(321)	44,320
Where Most Needed	4,263	5,101	(137)	9,227
Zakat	124,897	25,971	(36,047)	114,821
Zakat Al-Fitr	10	2,344	(209)	2,145
Total restricted funds	602,248	66,099	(96,248)	572,099
Total funds	635,343	79,952	(137,953)	577,342

AR-RAHMAH TRUST

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General	40,846	26,998	(31,941)	(2,808)	33,095
Restricted funds	628,310	93,344	(122,213)	2,808	602,249
Total funds	669,156	120,342	(154,154)	-	635,344

Unrestricted funds

14 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds 2024 £
Current assets	13,476	586,471	599,947
Current liabilities	(22,605)	-	(22,605)
Total net assets	(9,129)	586,471	577,342
	Unrestricted funds General £	Restricted funds £	Total funds 2023 £
Current assets	34,873	602,248	637,121
Current liabilities	(1,777)	-	(1,777)
Total net assets	33,096	602,248	635,344

15 Analysis of net funds

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	637,121	(37,174)	599,947
Net debt	637,121	(37,174)	599,947
	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	652,330	(15,209)	637,121
Net debt	652,330	(15,209)	637,121

AR-RAHMAH TRUST

England & Wales - Charity number 1121296

Accounts

Ar-Rahmah Trust

Annual Report 2023

Trustees Report and Financial Statements For the year ended 31 March 2023



Contents

Ar-Rahmah Trust Trustees' report for the year ended 31 March 2023	2
Message from Chairman	3
Independent examiner's Report to the Trustees of Ar-Rahmah Trust.....	6
Statement of financial activities for the year ended 31 March 2023	7
Balance sheet at 31 March 2023	8
Notes to the financial statements for the year ended 31 March 2023	9

Ar-Rahmah Trust Trustees' report for the year ended 31 March 2023

The trustees present their report and the financial statements of the charity for the year ended 31 March 2023. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document.

Reference and administrative details of the charity

Charity registration number

1121296

Correspondence address

Office 3, First Floor
437-441 Coventry Road
Small Heath
Birmingham

Trustees

M Asif (Chair)
Zaka Ullah Saleem (Secretary)
Imran Khan

Bankers

Al Rayan Bank
394 Coventry Road
Birmingham
B10 OUF

Independent examiner

Mainstream Accountancy Services
527 Moseley Road
Birmingham
B12 9BU

Message from Chairman

In January 2021, the charity suffered a devastating setback because the TSB bank unexpectedly and surprisingly closed the charity's main bank account. This was without any notice or any reason provided. Ar-Rahmah Trust is currently banking with Al-Rayan Bank, but it does not facilitate the transfer of funds abroad. This restriction has substantially impacted the charity's fundraising activities. Therefore, sadly, the charity has seen a substantial reduction in income this year again.

Despite many attempts to open a new bank account with various banks and money exchange companies, the charity struggled in sending funds abroad to carry out its projects. It was an extremely disappointing and frustrating year for the trustees.

However, through short term partnerships with other organisations, the charity managed to deliver the following projects:

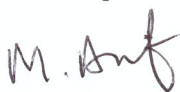
- Eye Camp
- Ramadhan Food Distribution
- Zakat ul Fitr Distribution
- Water Projects

Over recent years the charity has also seen Pakistani banks reluctant to accept funds from charitable organisations abroad due to certain policies the government has implemented.

The restrictions placed by the banking sectors in the UK and Pakistan have hampered the transfer of funds from the UK and therefore hindered the construction of the Ar-Rahmah Orphan Complex for which the donors have donated very generously.

The charity assures the donors that the land purchased for this project is still in its possession and it aims to complete the project by teaming up with another charity here in the UK.

There were some legal issues regarding certain claimants to some of the land but the charity has a legal team in Pakistan dealing with these matters and hopes to resolve them very soon so that the project can continue and fulfil the aspirations of so many of the donors who sacrificed much earned contributions in order to provide educational opportunities for deprived orphans in Pakistan.



Mohammed Asif
Chairman Trustee

About Ar-Rahmah Trust

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

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

Objectives and activities

a. Summary of objectives

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

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

b. Activities for achieving objectives

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

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

Structure, governance and management

a. Governing document

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

b. Method of appointment and induction of new trustees

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

c. Organisational structure and decision making

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

d. Risk management

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

Statement of Trustees' Responsibilities

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

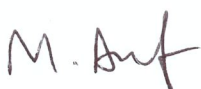
The law applicable to charities in England and Wales requires the trustee(s) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and to enable them to ascertain to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Trustees on 26 January 2024 and signed on their behalf by:



M Asif
Trustee

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

I report on the accounts of the Trust for the year ended 31 March 2023, which are set out on pages 7 to 16.

Respective responsibilities of trustees and examiner

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

It is my responsibility to:

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

Basis of independent examiner's statement

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

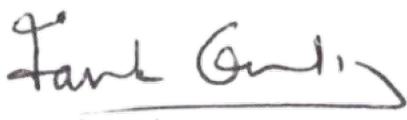
Independent examiner's statement

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

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

have not been met or

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



F B B Galia BSc (Hons), FCA

MAS (Bham) Ltd T/A Mainstream Accountancy Services
New Inn Business Centre
527 Moseley Road
Birmingham
B12 9BU

26 January 2024

Statement of financial activities for the year ended 31 March 2023

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Note	2023 £	2023 £	2023 £	2022 £
Incoming and endowments					
Donations	2	26,998	93,344	120,342	174,887
Other		-	-	-	-
Total incoming resources		26,998	93,344	120,342	174,887
Expenditure					
Raising funds	4	16,662	8,991	25,653	37,486
Charitable activities	5	15,279	113,223	128,502	61,427
Total resources expended		31,941	122,214	154,155	98,913
Net incoming resources before transfers	3	(4,943)	(28,870)	(33,813)	75,974
Gross transfers between funds	14	(2,808)	2,808	-	-
Net movement in funds for the year		(7,751)	(26,062)	(33,813)	75,974
Total funds brought forward	14	40,846	628,310	669,156	588,338
Total funds carried forward	14	33,095	602,248	635,343	664,312

All activities relate to continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

Balance sheet at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	-	1,034
			1,034
Current assets			
Debtors	12	-	11,784
Cash at bank and in hand		637,121	652,330
		637,121	664,114
Creditors: amounts falling due within one year	13	(1,778)	(836)
Net current assets		635,343	663,278
Net assets		635,343	664,312
Charity Funds/			
Unrestricted Funds	14	35,903	40,846
Restricted Funds	14	599,440	628,310
Equity shareholders' funds		635,343	669,156

The financial statements were approved by the Trustees on 26 January 2024 and signed on their behalf by

M Asif

Trustee

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies

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

1.1. Basis of preparation of financial statements

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

Ar Rahmah Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2. Reconciliation with previous Generally Accepted Accounting Practice

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

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

1.3. Fund Accounting

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

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

1.4. Donated services and facilities

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

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

1. Accounting policies (continued)

1.5. Incoming resources

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

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

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

1.6. Resources expended

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

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

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

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

1.7. Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

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

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

1.8. Taxation

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

Notes to the financial statements
for the year ended 31 March 2023 (continued)

2. Income from donations

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2023	2023	2023	2022
	£	£	£	£
Donations	26,998	93,344	120,342	164,490
Gift Aid	-	-	-	10,397
	26,998	93,344	120,342	174,887

3. Stated net income

Although the accounts show a deficit during the year, the funding for the charitable activities had already been pledged and collected in prior year as shown in the brought forward funds of £669,156.

4. Raising funds

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2023	2023	2023	2022
	£	£	£	£
Fundraising and publicity	16,662	8,991	25,653	37,486
	16,662	8,991	25,653	37,486

Notes to the financial statements
for the year ended 31 March 2023 (continued)

5. Analysis of resources expended by charitable activity

Expenditure can be summarised as:

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Community empowerment	-	-	-	3,709
Education	1,116	8,271	9,387	-
Food aid	9,023	66,862	75,885	36,158
Supporting orphans	3,234	23,968	27,202	-
Water aid	1,906	14,122	16,028	21,560
	15,279	113,223	128,502	61,427

6. Analysis of resources expended by activity type

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support and governance costs 2023 £	Total funds 2023 £	Total funds 2022 £
Cost of generating volume income					
Fundraising and publicity	3,784	-	21,869	25,653	37,486
Charitable activities					
Community empowerment	-	-	-	-	3,709
Education	-	7,789	1,598	9,387	-
Food aid	970	62,000	12,915	75,885	36,158
Supporting orphans	425	22,148	4,629	27,202	-
Water aid	-	13,300	2,728	16,028	21,560
	1,395	105,238	21,869	128,502	61,427
Total	5,179	105,238	43,739	154,155	98,913

Notes to the financial statements
for the year ended 31 March 2023 (continued)

7. Grants payable

	Grants to Institutions £	Grants to individuals £
Education	7,790	-
Food aid	62,000	-
Supporting orphans	22,148	-
Water aid	13,300	-
	105,238	-
Recipients of institutional grant(s) were as follows:	Total	Total
	2023 £	2022 £
Ar-Rahmah Trust (Pakistan)	-	-
Ethar Relief	-	13,180
Global Aid Solution	29,938	-
Muslims In Need	54,050	22,820
Al-Midrar Institute	21,250	-
	105,238	36,000

8. Support and governance costs

	Fundraising costs 2023 £	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Support costs				
Management and administration	21,869	21,869	43,738	42,574
Governance costs				
Legal costs	-	-	-	7,800
Total	21,869	21,869	43,738	50,374

The above figures for 2023 include salaries paid to employees of the Trust analysed further at note 10.

Notes to the financial statements
for the year ended 31 March 2023 (continued)

9. Net incoming resources

	2023	2022
This is stated after charging:	£	£
Depreciation of tangible fixed assets - owned by the charity	1,034	398
	1,034	398

10. Staff costs

	2023	2022
	£	£
Wages and salaries	23,760	1,976
Social security costs	1,976	171
	25,736	2,147

During the year, the charity had 2 (2022: 1) full time equivalent and a number of casual employees.

The Trust consists of its key management personnel, the trustees, and the General Manager. No employees had benefits in excess of £60,000 (2022: Nil).

During the year, no trustees received any remuneration or benefits in kind (2022: Nil).

During the year, the trustees received no reimbursement of expenses (2022: £796).

11. Tangible fixed assets

	Assets under the course of construction	Fixtures & fittings	Computers & office equipment	Total
	£	£	£	£
Cost				
At 1 April 2022	-	995	3,153	4,148
Additions	-			
At 31 March 2023	-	995	3,153	4,148
Depreciation				
At 1 April 2022	-	995	2,119	3,114
Charge for the year	-	-	1,034	1,034
At 31 March 2023	-	995	3,153	4,148
Net book value				
At 31 March 2023	-	-	-	-
At 31 March 2022	-	-	1,034	1,034

Notes to the financial statements
for the year ended 31 March 2023 (continued)

12. Debtors

	2023	2022
	£	£
Other debtors	-	10,384
Prepayments & accrued income	-	1,400
	-	11,784

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	70	695
Other creditors	2,927	-
Salaries and social security	(1,219)	141
Accruals & deferred income	70	-
	1,778	836

Notes to the financial statements
for the year ended 31 March 2023 (continued)

14. Statement of funds

Year ended 31 March 2023

	Brought forward	Incoming resources	Resources expended	Transfers in/(out)	Carried forward
	£	£	£	£	£
Unrestricted funds	40,846	26,998	(31,941)	(2,808)	33,095
Total unrestricted funds	40,846	26,998	(31,941)	(2,808)	33,095
Restricted funds					
Family sponsorship	7,266	2,577	(56)	-	9,787
Fidyah	2,462	335	(2,467)	-	330
Health	15,495	6,428	(2,786)	-	19,137
Orphans	100,810	17,553	(1,425)	-	116,938
Orphans - Boarding complex	301,303	600	(22,163)	-	279,740
Quran Memorisation	5,605	3,222	(7,848)	-	979
Qurbani	-	1,810	(4,618)	2,808	-
Ramadan food programme	9,022	2,074	(2,077)	-	9,019
Water pump	35,373	22,097	(20,322)	-	37,148
Where Most Needed	7,914	3,504	(7,155)	-	4,263
Zakat	142,900	32,216	(50,219)	-	124,897
Zakat Al-Fitr	160	928	(1,077)	-	10
	628,310	93,344	(122,214)	2,808	602,248
Total funds 2023	669,156	120,342	(154,155)	-	635,343

AR-RAHMAH TRUST

England & Wales - Charity number 1121296

Accounts

Ar-Rahmah Trust

Annual Report 2022

Trustees Report and Financial Statements For the year ended 31 March 2022



Contents

Ar-Rahmah Trust Trustees' report for the year ended 31 March 2022	2
Message from Chairman	3
Highlights of the year.....	5
Independent examiner's Report to the Trustees of Ar-Rahmah Trust.....	8
Statement of financial activities for the year ended 31 March 2022	9
Balance sheet at 31 March 2022	10
Notes to the financial statements for the year ended 31 March 2022	11

Ar-Rahmah Trust Trustees' report for the year ended 31 March 2022

The trustees present their report and the financial statements of the charity for the year ended 31 March 2022. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document.

Reference and administrative details of the charity

Charity registration number

1121296

Correspondence address

Office 3, First Floor
437-441 Coventry Road
Small Heath
Birmingham

Trustees

M Asif (Chair)
Zaka Ullah Saleem (Secretary)
Imran Khan

Bankers

Al Rayan Bank
394 Coventry Road
Birmingham
B10 OUF

Independent examiner

Mainstream Accountancy Services
527 Moseley Road
Birmingham
B12 9BU

Message from Chairman

This year the COVID-19 pandemic and the measures taken to contain it have undoubtedly impacted the charity's financial and economic activity. The charity has seen a decrease in the overall income in this financial period due to issues outside of the charity's control.

The charity's greatest setback was due to TSB bank unexpectedly closing the main bank account in January 2021, without any notice and neither any reason. This caused the temporary inability to transfer funds abroad because of the restrictions placed by Ar-Rayan Bank and consequently the very limited fund raising which resulted in a lower income than previous years. This also resulted in losing the many standing orders from the long-term regular donors because TSB bank did not give any time to transfer these standing orders to an alternative bank account. It seems that TSB's account closure affected the charity's reputation within the banking sector, as several attempts were made to open an alternative bank account with a couple of other banks, but the applications were refused without any reason given.

This resulted in reduced fundraising activities for various projects and increased partnerships to deliver the aid as donated by the public. During this period the charity also explored and implemented in the reduction of overheads to keep costs to a minimum until a permanent solution was found.

The covid pandemic restrictions also affected the overall income of the charity for the year end March 2022. The charity was unable to fully execute the fundraising plans. However, it continues to focus on core projects including food aid, water aid, orphans and poverty alleviation with core focus remaining on the needy people of Pakistan.

The COVID-19 pandemic measures in Pakistan impacted the charity's work in continuing to provide education and accommodation for orphan girls in its school in Rawalpindi. Consequently, this operation was closed down.

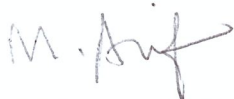
From the 1st April 2021 to 31st March 2022 the following activities were carried out:

- Annual Ramadan Be the 1 food parcels campaign
- Annual Ramadan Water campaign
- Annual Ramadan Zakat ul Fitr campaign
- Social media and direct promotion of the Qurbani project in Pakistan
- Fundraising and promotional activities for the yearly Eye Camps
- Social Media and donor relations activity to generate donations for the charity's projects

Income in Ramadan 2021 was £79,595.81 which was 63% lower than the previous year. However, the charity continued to generate funds in a limited manner and identified partners who could deliver aid on behalf of the charity. Al-Midrar Institute was identified as a partner on the ground in Pakistan who delivered the annual Ramadan projects.

Income in Ramadan 2021 was £79,595.81 which was 63% lower than the previous year however the charity continued to generate funds in a limited manner and identified partners who could deliver aid on behalf of the charity. Al Midrar Institute were identified as a partner on the ground in Pakistan who delivered the annual Ramadan project.

The trustees are hopeful that these obstacles can be overcome in the following financial year and the charity can resume its work on the construction of The Orphan Boarding Complex in Warburton and its other ongoing charitable projects in Pakistan which are a lifeline for many very poor, vulnerable and needy recipients.



Mohammed Asif
Chairman Trustee

Highlights of the year

- Ramadan Be the one campaign in which over 400 food parcels were distributed elevating the hunger of 2750 people.
- Qurbani 2021 campaign was performed in interior Sindh, Pakistan with the meat distributed across 9 cities to the poor and needy.
- An Eye camp was run successfully in Pakistan to alleviate the suffering of poor people. The eye camp treated patients in need of cataract surgery.

About Ar-Rahmah Trust

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

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

Objectives and activities

a. Summary of objectives

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

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

b. Activities for achieving objectives

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

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

Structure, governance and management

a. Governing document

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

b. Method of appointment and induction of new trustees

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

c. Organisational structure and decision making

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

d. Risk management

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

Statement of Trustees' Responsibilities

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

The law applicable to charities in England and Wales requires the trustee(s) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and to enable them to ascertain to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Trustees on 15 January 2023 and signed on their behalf by:

M Asif
Trustee

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

I report on the accounts of the Trust for the year ended 31 March 2022, which are set out on pages 9 to 18.

Respective responsibilities of trustees and examiner

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

It is my responsibility to:

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

Basis of independent examiner's statement

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

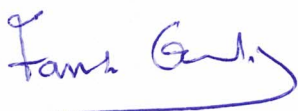
Independent examiner's statement

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

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

have not been met or

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



F B B Galia BSc (Hons), FCA

MAS (Bham) Ltd T/A Mainstream Accountancy Services
New Inn Business Centre
527 Moseley Road
Birmingham
B12 9BU

15 January 2023

Statement of financial activities
for the year ended 31 March 2022

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Note	2022 £	2022 £	2022 £	2021 £
Incoming and endowments					
Donations	2	30,109	144,778	174,887	503,635
Charitable activities	3	-	-	-	-
Other		-	-	-	-
Total incoming resources		30,109	144,778	174,887	503,635
Expenditure					
Raising funds	4	23,496	13,990	37,486	79,712
Charitable activities	5	20,196	41,231	61,427	220,695
Total resources expended		43,692	55,221	98,913	300,407
Net incoming resources before transfers		(13,583)	89,557	75,974	203,228
Gross transfers between funds	14	-	-	-	-
Net movement in funds for the year		(13,583)	89,557	75,974	203,228
Total funds brought forward	14	49,586	538,752	588,338	385,110
Total funds carried forward	14	36,003	628,309	664,312	588,338

All activities relate to continuing operations.

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

Balance sheet at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	1,034	782
		1,034	782
Current assets			
Debtors	12	11,784	34,287
Cash at bank and in hand		652,330	561,891
		664,114	596,178
Creditors: amounts falling due within one year	13	(836)	(8,622)
Net current assets		663,278	587,556
Net assets		664,312	588,338
Charity Funds			
Unrestricted Funds	14	36,002	49,586
Restricted Funds	14	628,310	538,752
Equity shareholders' funds		664,312	588,338

The financial statements were approved by the Trustees on 15 January 2023 and signed on their behalf by

M Asif

Trustee

Notes to the financial statements

for the year ended 31 March 2022

1. Accounting policies

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

1.1. Basis of preparation of financial statements

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

Ar Rahmah Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2. Reconciliation with previous Generally Accepted Accounting Practice

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

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

1.3. Fund Accounting

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

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

1.4. Donated services and facilities

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

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

1. Accounting policies (continued)

1.5. Incoming resources

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

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

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

1.6. Resources expended

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

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

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

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

1.7. Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

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

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

1.8. Taxation

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

Notes to the financial statements
for the year ended 31 March 2022 (continued)

2. Income from donations

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022	2022	2022	2021
	£	£	£	£
Donations	19,712	144,778	164,490	473,023
Gift Aid	10,397	-	10,397	30,612
	30,109	144,778	174,887	503,635

3. Income from charitable activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022	2022	2022	2021
	£	£	£	£
Community Empowerment	-	-	-	-
Food Aid	-	-	-	-
	-	-	-	-

4. Raising funds

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022	2022	2022	2021
	£	£	£	£
Fundraising and publicity	23,496	13,990	37,486	79,712
	23,496	13,990	37,486	79,712

Notes to the financial statements
for the year ended 31 March 2022 (continued)

5. Analysis of resources expended by charitable activity

Expenditure can be summarised as:

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Community empowerment	1,211	2,498	3,709	27,494
Education	-	-	-	7,041
Emergency relief	-	-	-	9,382
Food aid	11,946	24,212	36,158	72,233
Healthcare			-	4,949
Supporting orphans			-	51,271
Water aid	7,039	14,521	21,560	48,325
	20,196	41,231	61,427	220,695

6. Analysis of resources expended by activity type

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support and governance costs 2022 £	Total funds 2022 £	Total funds 2021 £
Cost of generating volume income					
Fundraising and publicity	12,299	-	25,187	37,486	79,712
Charitable activities					
Community empowerment	240	1,948	1,521	3,709	27,494
Education	-	-	-	-	7,041
Emergency relief	-	-	-	-	9,382
Food aid		21,332	14,826	36,158	72,233
Healthcare	-	-	-	-	4,949
Supporting orphans	-	-	-	-	51,271
Water aid	-	12,720	8,840	21,560	48,325
	240	36,000	25,187	61,427	220,695
Total	12,539	36,000	50,374	98,913	300,407

Notes to the financial statements
for the year ended 31 March 2022 (continued)

7. Grants payable

	Grants to Institutions £	Grants to individuals £
Community empowerment	1,948	-
Education	-	-
Emergency relief	-	-
Food aid	21,332	-
Healthcare	-	-
Supporting orphans	-	-
Water aid	12,720	-
	36,000	-
Recipients of institutional grant(s) were as follows:	Total	Total
	2022 £	2021 £
Ar-Rahmah Trust (Pakistan)	-	128,859
Al-Midrar	13,180	-
Ethar Relief	-	4,000
Global Relief Trust	-	1,825
Muslims In Need	22,820	23,885
Saba Relief	-	2,421
	36,000	160,990

8. Support and governance costs

	Fundraising costs 2022 £	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Support costs				
Management and administration	21,287	21,287	42,574	62,055
Governance costs				
Legal costs	3,900	3,900	7,800	5,400
Total	25,187	25,187	50,374	67,455

Notes to the financial statements
for the year ended 31 March 2022 (continued)

9. Net incoming resources

	2022	2021
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets - owned by the charity	398	309
	398	309

10. Staff costs

	2022	2021
	£	£
Wages and salaries	1,976	25,022
Social security costs	171	2,068
	2,147	27,090

During the year, the charity had 1 (2021: 2) full time equivalent and a number of casual employees.

The Trust consists of its key management personnel, the trustees, and the Chief Executive Officer. The total employment benefits paid to its key management personnel were £1,976 (2021: £25,022). No employees had benefits in excess of £60,000 (2021: Nil).

During the year, no trustees received any remuneration or benefits in kind (2021: Nil).

During the year, the trustees received £796 in reimbursement of expenses (2021: £298).

11. Tangible fixed assets

	Assets under the course of construction	Fixtures & fittings	Computers & office equipment	Total
	£	£	£	£
Cost				
At 1 April 2021	-	995	2,503	3,498
Additions	-	-	650	650
At 31 March 2022	-	995	3,153	4,148
Depreciation				
At 1 April 2021	-	995	1,721	2,716
Charge for the year	-	-	398	398
At 31 March 2022	-	995	2,119	3,114
Net book value				
At 31 March 2022	-	-	1,034	1,034
At 31 March 2021	-	-	782	782

Notes to the financial statements
for the year ended 31 March 2022 (continued)

12. Debtors

	2022	2021
	£	£
Other debtors	10,384	29,737
Prepayments & accrued income	1,400	4,550
	11,784	34,287

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	695	6,786
Other creditors	-	1,580
Salaries and social security	141	256
Accruals & deferred income	-	-
	836	8,622

Notes to the financial statements
for the year ended 31 March 2022 (continued)

14. Statement of funds

Year ended 31 March 2022

	Brought forward	Incoming resources	Resources expended	Transfers in/(out)	Carried forward
	£	£	£	£	£
Unrestricted funds	49,586	30,109	(43,692)	-	36,003
Total unrestricted funds	49,586	30,109	(43,692)	-	36,003
Restricted funds					
Ar-Rahmah Mosque fund	-				-
Family sponsorship	4,741	4,916	(2,391)		7,266
Fidyah	2,090	931	(559)		2,462
Health	13,022	3,902	(1,429)		15,495
Orphans	369,778	44,557	(12,222)		402,113
Pakistan Need to Feed	6,571	-	-		6,571
Quran Memorisation	-	5,720	(115)		5,605
Qurbani	-	4,994	(4,994)		-
Ramadaan food programme	29	6,287	(6,228)		88
Self-reliance scheme	-	931	(6)		925
Syria	126	-	-		126
Uyghur Refugees	1,068	-	-		1,068
Yemen Need to Feed	1,109	190	(4)		1,295
Water pump	40,279	10,335	(15,241)		35,373
Zakat	96,938	56,399	(10,437)		142,900
Zakat Al-Fitr	530	1,105	(1,475)		160
Where Most Needed	2,471	4,512	(120)		6,863
	538,752	144,779	(55,222)	-	628,309
Total funds 2022	588,338	174,887	(98,913)	-	664,312

AR-RAHMAH TRUST

England & Wales - Charity number 1121296

Accounts

Ar-Rahmah Trust

Annual Report 2021

Trustees Report and Financial Statements For the year ended 31 March 2021



Contents

Ar-Rahmah Trust Trustees' report for the year ended 31 March 2021	2
Message from Chairman	3
Highlights of the year.....	4
Independent examiner's Report to the Trustees of Ar-Rahmah Trust.....	7
Statement of financial activities for the year ended 31 March 2021	8
Balance sheet at 31 March 2021	9
Notes to the financial statements for the year ended 31 March 2021	10

Ar-Rahmah Trust Trustees' report for the year ended 31 March 2021

The trustees present their report and the financial statements of the charity for the year ended 31 March 2021. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document.

Reference and administrative details of the charity

Charity registration number

1121296

Correspondence address

203 St Bernards Road
Solihull
West Midlands
B92 7DL

Trustees

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

Bankers

TSB Bank
22A Great Hampton Street
Birmingham
B18 6AH
Al Rayan Bank
394 Coventry Road
Birmingham
B10 OUF

Independent examiner

Mainstream Accountancy Services
527 Moseley Road
Birmingham
B12 9BU

Message from Chairman

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

I am delighted to report that the charity continued to grow in terms of securing an increase of 19.78% of funding income for the year ending March 2021 on the previous year. This is due to the hard work of the staff and the generous contributions of our donors. However due to the COVID-19 pandemic the income is significantly lower than the year ending March 2019. The charity could not execute the fundraising plan due to lockdowns in the year.

In April 2020 donors were informed that the construction of the Ar-Rahmah Trust Boarding Complex for girls near Lahore, Pakistan was on hold due to unforeseen circumstances and the charity will not be collecting donations until further notice.

Ar-Rahmah Trust continues to focus on core projects including water, orphans and poverty alleviation in Pakistan, Syria & Yemen with future project focus remaining on Pakistan.

Due to the pandemic a change in fundraising strategy was adopted to progressively increase online presence with a clear focus on digital fundraising in order to increase the number of donors, geographical reach and overall revenue for key fundamental projects whilst making the charity more efficient. Finally, I would like to thank my fellow trustees, management, staff, volunteers and above all, our donors, whose efforts, and sacrifices have made all these activities and help possible for the deserving.

From the 1st April 2020 until 31st March 2021, the following activities were carried out:

- Annual Ramadan for Be the 1 food parcels campaign
- Unity FM Ramadan Appeals for RWP, Be the 1 & Self-reliance scheme
- Be the 1 Ramadan Food parcels distribution in Pakistan, Syria & Yemen.
- Social media and direct promotion of the Qurbani 2020 project in Pakistan & Yemen
- Fundraising and promotional activities for Sept 2020 Eye Camp
- Social Media and donor relations activity to generate donations for hand pumps, motor pumps and water wells. ongoing
- Orphans ongoing social media, donor contact and adverts on Unity FM
- Social media and donor contact to raising funds for Sewing Classes
- Social media promotional and fundraising activity for Quran Hifz project

Accomplishments

- Increased social media activity and reach
- Key improvements made to existing website
- Increased the number of donation platforms
- Maintained and Improved relationship with key donors.
- Maintained and Improved relationships with partners to deliver vital help for the poor and needy.

Finally, I would like to thank my fellow trustees, management, staff, volunteers and above all, our donors, whose efforts and sacrifices have made all these activities and help possible for the deserving.

Mohammed Asif
Chairman Trustee

Highlights of the year

Throughout 2020/21 Ar-Rahmah Trust has maintained existing relationships whilst exploring alternative fundraising avenues and opportunities in order to attract a wider donor base for its charitable activities and thus improving the long-term ambitions of the charity.

- Even with the pandemic in full swing, Income for the year increased to £503,635 (last year's turnover £420,477). This has largely down to the introduction of a revised strategy and renewed focus on digital presence.
- 172 hand pumps, 58 motor pumps and 14 water well installed in poor areas of Pakistan
- 68 (Sheep) orders for Qurbani were performed in Yemen which resulted in distribution of meat to the poor and needy.
- 5 (cows), 35 orders for Qurbani were performed in Pakistan which resulted in distribution of meat to the poor and needy.
- Need to Feed Yemen – 9600 meals provided.
- Yemen Small Family Emergency Aid (1 x food pack & winter warmers) – 64 packs were distributed
- Yemen Large Family Emergency Aid (2 x food pack & winter warmers) – 26 packs were distributed
- Yemen Small Community Emergency Aid - 8 water tankers were distributed
- Yemen Large Community Emergency Aid – 1 Malnutrition clinic for 50 children
- Eye camps were run successfully in Pakistan to alleviate the suffering of poor people. The eye camps were attended by 647 people who benefitted from free eye check-ups and treatment. 89 cataract operations were performed, 412 patients received medicine for minor ailments and 254 eye tests were carried out and prescription glasses were given.

About Ar-Rahmah Trust

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

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

Objectives and activities

a. Summary of objectives

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

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

b. Activities for achieving objectives

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

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

Structure, governance and management

a. Governing document

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

b. Method of appointment and induction of new trustees

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

c. Organisational structure and decision making

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

d. Risk management

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

Statement of Trustees' Responsibilities

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

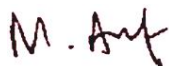
The law applicable to charities in England and Wales requires the trustee(s) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and to enable them to ascertain to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Trustees on 27 January 2022 and signed on their behalf by:



M Asif
Trustee

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

I report on the accounts of the Trust for the year ended 31 March 2021, which are set out on pages 8 to 17.

Respective responsibilities of trustees and examiner

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

It is my responsibility to:

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

Basis of independent examiner's statement

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

Independent examiner's statement

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

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

have not been met or

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



F B B Galia BSc (Hons), FCA

MAS (Bham) Ltd T/A Mainstream Accountancy Services
New Inn Business Centre
527 Moseley Road
Birmingham
B12 9BU

27 January 2022

Statement of financial activities
for the year ended 31 March 2021

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Note	2021 £	2021 £	2021 £	2020 £
Incoming and endowments					
Donations	2	63,036	440,599	503,635	420,477
Charitable activities	3	-	-	-	-
Other		-	-	-	-
Total incoming resources		63,036	440,599	503,635	420,477
Expenditure					
Raising funds	4	8,951	70,761	79,712	67,818
Charitable activities	5	29,046	191,649	220,695	264,540
Total resources expended		37,997	262,410	300,407	332,358
Net incoming resources before transfers		25,039	178,189	203,228	88,119
Gross transfers between funds	14	-	-	-	-
Net movement in funds for the year		25,039	178,189	203,228	88,119
Total funds brought forward	14	24,547	360,563	385,110	296,991
Total funds carried forward	14	49,586	538,752	588,338	385,110

All activities relate to continuing operations.

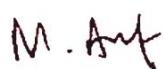
The notes on pages 10 to 17 form part of these financial statements.

Balance sheet at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	782	1,091
		782	1,091
Current assets			
Debtors	12	34,287	47,098
Cash at bank and in hand		561,891	342,058
		596,178	389,156
Creditors: amounts falling due within one year	13	(8,622)	(5,137)
Net current assets		587,556	384,019
Net assets		588,338	385,110
Charity Funds			
Unrestricted Funds	14	49,586	24,547
Restricted Funds	14	538,752	360,563
Equity shareholders' funds		588,338	385,110

The financial statements were approved by the Trustees on 27 January 2022 and signed on their behalf by

M Asif



Trustee

Notes to the financial statements

for the year ended 31 March 2021

1. Accounting policies

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

1.1. Basis of preparation of financial statements

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

Ar Rahmah Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2. Reconciliation with previous Generally Accepted Accounting Practice

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

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

1.3. Fund Accounting

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

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

1.4. Donated services and facilities

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

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

1. Accounting policies (continued)

1.5. Incoming resources

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

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

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

1.6. Resources expended

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

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

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

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

1.7. Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

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

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

1.8. Taxation

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

Notes to the financial statements
for the year ended 31 March 2021 (continued)

2. Income from donations

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021	2021	2021	2020
	£	£	£	£
Donations	32,424	440,599	473,023	369,702
Gift Aid	30,612	-	30,612	23,775
	63,036	440,599	503,635	420,477

3. Income from charitable activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021	2021	2021	2020
	£	£	£	£
Community Empowerment	-	-	-	-
Food Aid	-	-	-	-
	-	-	-	-

4. Raising funds

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021	2021	2021	2020
	£	£	£	£
Fundraising and publicity	8,951	70,761	79,712	67,818
	8,951	70,761	79,712	67,818

Notes to the financial statements
for the year ended 31 March 2021 (continued)

5. Analysis of resources expended by charitable activity

Expenditure can be summarised as:

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Community empowerment	3,525	23,969	27,494	23,569
Education	903	6,138	7,041	18,115
Emergency relief	1,202	8,180	9,382	5,924
Food aid	10,009	62,224	72,233	110,620
Healthcare	635	4,314	4,949	17,676
Supporting orphans	6,575	44,696	51,271	46,260
Water aid	6,197	42,128	48,325	42,376
	29,046	191,649	220,695	264,540

6. Analysis of resources expended by activity type

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support and governance costs 2021 £	Total funds 2021 £	Total funds 2020 £
Cost of generating volume income					
Fundraising and publicity	71,280	-	8,432	79,712	67,818
Charitable activities					
Community empowerment	-	20,141	7,353	27,494	23,569
Education	-	5,158	1,883	7,041	18,115
Emergency relief	-	6,873	2,509	9,382	5,924
Food aid	682	52,233	19,318	72,233	110,620
Healthcare	-	3,625	1,324	4,949	17,676
Supporting orphans	-	37,559	13,712	51,271	46,260
Water aid	-	35,401	12,924	48,325	42,376
	682	160,990	59,023	220,695	264,540
Total	71,962	160,990	67,455	300,407	332,358

Notes to the financial statements
for the year ended 31 March 2021 (continued)

7. Grants payable

	Grants to Institutions £	Grants to individuals £
Community empowerment	20,141	-
Education	5,158	-
Emergency relief	6,873	-
Food aid	52,233	-
Healthcare	3,625	-
Supporting orphans	37,559	-
Water aid	35,401	-
	160,990	-
Recipients of institutional grant(s) were as follows:	Total	Total
	2021	2020
	£	£
Ar-Rahmah Trust (Pakistan)	128,859	159,015
Crisis Aid	-	1,573
Ethar Relief	4,000	8,200
Global Relief Trust	1,825	5,343
Mercy Relief	-	806
Muslims In Need	23,885	
Saba Relief	2,421	7,660
	160,990	182,597

8. Support and governance costs

	Fundraising costs	Charitable activities	Total funds	Total funds
	2021	2021	2021	2020
	£	£	£	£
Support costs				
Management and administration	7,757	54,298	62,055	88,270
Governance costs				
Legal costs	675	4,725	5,400	3,600
Total	8,432	59,023	67,455	91,870

Notes to the financial statements
for the year ended 31 March 2021 (continued)

9. Net incoming resources

	2021	2020
This is stated after charging:	£	£
Depreciation of tangible fixed assets - owned by the charity	309	377
	309	377

10. Staff costs

	2021 £	2020 £
Wages and salaries	25,022	66,155
Social security costs	2,068	4,875
	27,090	71,030

During the year, the charity had 2 (2020: 2) full time equivalent and a number of casual employees.

The Trust consists of its key management personnel, the trustees, and the Chief Executive Officer. The total employment benefits paid to its key management personnel were £25,022 (2020: £66,155). No employees had benefits in excess of £60,000 (2020: Nil).

During the year, no trustees received any remuneration or benefits in kind (2020: Nil).

During the year, the trustees received £298 in reimbursement of expenses (2020: Nil).

11. Tangible fixed assets

	Assets under the course of construction	Fixtures & fittings	Computers & office equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	-	995	2,503	3,498
Additions	-	-	-	-
At 31 March 2021	-	995	2,503	3,498
Depreciation				
At 1 April 2020	-	995	1,412	2,407
Charge for the year	-	-	309	309
At 31 March 2021	-	-	1,721	2,716
Net book value				
At 31 March 2021	-	-	782	782
At 31 March 2020	-	-	1,091	1,091

Notes to the financial statements
for the year ended 31 March 2021 (continued)

12. Debtors

	2021 £	2020 £
Other debtors	29,737	24,660
Prepayments & accrued income	4,550	22,438
	34,287	47,098

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	6,786	927
Other creditors	1,580	-
Salaries and social security	256	3,810
Accruals & deferred income	-	400
	8,622	5,137

Notes to the financial statements
for the year ended 31 March 2021 (continued)

14. Statement of funds

Year ended 31 March 2021

	Brought forward	Incoming resources	Resources expended	Transfers in/(out)	Carried forward
	£	£	£	£	£
Unrestricted funds	24,547	63,036	(37,997)	-	49,586
Total unrestricted funds	24,547	63,036	(37,997)	-	49,586
Restricted funds					
Ar-Rahmah Mosque fund	-	10	(10)	-	-
Family sponsorship	13	10,711	(5,983)	-	4,741
Fidyah	969	1,350	(229)	-	2,090
Health	-	25,025	(12,003)	-	13,022
Orphans	315,826	137,272	(83,320)	-	369,778
Pakistan Need to Feed	10,403	275	(4,107)	-	6,571
Quran Memorisation	14	3,159	(3,173)	-	-
Qurbani	-	9,235	(9,235)	-	-
Ramadaan food programme	843	30,591	(31,405)	-	29
Self-reliance scheme	46	8,046	(8,092)	-	-
Syria	91	127	(92)	-	126
Uyghur Refugees	453	1,035	(420)	-	1,068
Yemen Need to Feed	400	30,750	(30,041)	-	1,109
Water pump	21,762	68,475	(49,958)	-	40,279
Zakat	9,743	103,729	(16,534)	-	96,938
Zakat Al-Fitr	-	3,906	(3,376)	-	530
Where Most Needed	-	6,903	(4,432)	-	2,471
	360,563	440,599	(262,410)	-	538,752
Total funds 2021	385,110	503,635	(300,407)	-	588,338