

Charity registration number 1122922

Company registration number 06380231 (England and Wales)

**MERCY MISSION UK**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# MERCY MISSION UK

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees and company directors</b>	Mr M Ikram	(Appointed 7 October 2021)
	Ms F Mohammad	
	Mr I Mansha	
<b>Secretaries</b>	Mr M Ikram	
	Mrs A Imran	
<b>Charity number</b>	1122922	
<b>Company number</b>	06380231	
<b>Registered office</b>	203 Westgate	
	Bradford	
	England	
	BD1 3AD	
<b>Independent examiner</b>	AMS Accountants Corporate Limited	
	Chartered Accountants	
	Floor 2	
	9 Portland Street	
	Manchester	
	United Kingdom	
	M1 3BE	

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# MERCY MISSION UK

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# **MERCY MISSION UK**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The charity's objects are as follows :

- (1) To advance the Islamic faith for the benefit of the worldwide population through, amongst other things the holding of events, lectures, producing and/or distributing a broad range of literature via a broad range of media in order to enlighten both Muslims and non-Muslims about Islam.
- (2) The prevention and relief of poverty or financial hardship in the world by providing or assisting in the provision of grants, items and services to individuals in need and/or charities, or other organisations working to prevent or relieve poverty.
- (3) To promote social inclusion for the public benefit by working with people in both the UK and the rest of the world who are socially excluded on the grounds of their ethnic origin, religion, belief or creed (in particular, members of the Muslim community) to relieve the needs of such people and assist them to integrate into society.
- (4) The promotion of religious harmony for the benefit of the public.

The policies adopted in furtherance of these objects are detailed in the achievements and performance section below.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# MERCY MISSION UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **Achievements and performance**

The Messenger of God, peace and blessings said, 'Unity is a mercy'

Musnad Ahmad 17982

In 2021 as the world opened up following the emergence of the Corona virus, unity being a mercy is something we have truly seen. Civic activity has continued to excel across the country, with organisations of all shapes and sizes seeking to work together on the challenges of our time. This blessing is something Mercy Mission UK has been witness to and tried to contribute to further with the backing of our wonderful supporters.

#### 2021: A Year of Mercy and Unit

Our focus in 2021 was to consider what role we should be playing in responding to the challenges being faced in the country. This led us to three key areas:

1. Sustainability
2. Advocacy
3. Leadership Development

As such we decided to focus on the following key areas of our work:

#### **Sustainability**

We successfully completed the purchase of a Waqf property in Yorkshire. 21 apartments in the heart of the Huddersfield town centre. Within five months, we were able to complete a successful renovation of the building and bring it to market, and ensure it was fully occupied and profit making. This was a great achievement as it has been our first investment and has become a landmark for the town for the quality and affordability of the units.

This effort has been supported by a determination to create a tech-platform that will enable ordinary people to start their own Waqf which can support the investment portfolio we are trying to build for the charity. The new platform identity has been successfully created and we hope in 2022 to design, develop and deliver the platform to the market enabling ordinary people to establish a Waqf with as little as £1000 GBP.

We have also successfully designed a new structure to enable philanthropists to accelerate their giving in a super-efficient and effective manner; a donor advised fund (DAF). We are looking forward to companies and families to use this and enable Mercy Mission UK to play a more active role in community giving. We have successfully tested the mechanism in 2021 and are confident this will achieve rapid growth in 2022, God Willing.

#### **Advocacy**

Working with the Good Faith Partnership we supported an effort to document the contributions of faith communities during covid. 'Stepping Up and Stepping out' was an effort to ensure history would recognise the role faith communities played in helping the most vulnerable survive the pandemic. Mercy Mission UK was particularly concerned to ensure the efforts of Muslim communities were not lost with a short-term memory.

Our report was successfully launched with Rt. Hon. Danny Kruger MP, the mastermind behind the 'levelling up' agenda, and was well received and illustrated the value of Muslims in the most difficult challenge to this country since the world wars.

#### **Leadership Development**

In 2021 we established a partnership with St Benet's, University of Oxford, and the premier leadership academy, Faith in Leadership, to develop a high-performance leadership program for high potential undergraduates. The program was developed with a diverse range of voices and has sought to provide unprecedented access and experiences for young people. The program was able to recruit its ten fellows from a range of backgrounds and universities, and the inaugural program will be completed through 2022, God Willing.



# MERCY MISSION UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Small Grants Initiative

Despite our financial challenges, we retained our focus on supporting high potential initiatives with tactical support funding. In 2021 our grant making focussed on two key areas:

1. Peace and Reconciliation  
A key priority of Mercy Mission UK is to fund those organisations which focus on unity and community building. In 2021 we worked with the Istanbul Foundation for Science and Culture for their conference which was to promote, unity, community cohesion and faith literacy. As the main event sponsor, our focus was ensuring the message to the thousands of people participating in the event from across the world was to focus on high quality programmes that unite communities and are true to the scriptures.
2. Refugee Resettlement  
Since 2018 Mercy Mission UK has taken a keen interest in refugee resettlement. We have been eager to support those refugees who have managed to get to the UK to be reunited with families they may have left behind in camps. In 2021 we worked with three exceptional partners to support reunion across the country. These partners included:
  - a. Green Lane Mosque
  - a. Islamic Human Rights Commission
  - b. Barnet Refugee Service (BRS)

### ACHIEVEMENTS AND PERFORMANCE

In 2021 our key achievements were undoubtedly:

1. Successfully acquiring and launching our first Waqf property
2. Cataloguing the value of Muslims to civil society
3. Delivering essential small grants to noteworthy organisations
4. Creating our MVP platform: [www.Waqfinty.com](http://www.Waqfinty.com)
5. Launch of our DAF

### Financial review

The Statement of Financial Activities on page 6 shows a net surplus of £175,139 (2020: £71,269).

The trustees consider the state of the charity's affairs to be satisfactory.

At the year end, overall reserves totaled £609,687 (2020: £434,547). The charity retains reserves as a contingency against operational risks and for investment in strategic projects.

The trustees have established a policy in respect of the charitable activities whereby the reserves held by the charity after taking into account the fixed asset balances should be approximately three months of expenditure, which equates to £104,518 based on the year to December 2021 results. Current reserves in the charity alone are in excess of £145,000 which is deemed appropriate.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

# MERCY MISSION UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Plans for future periods

2022 is a big year for Mercy Mission UK as we seek to accelerate the growth of the organisation through the DAF model we have built. We have successfully secured a partnership with the world's fastest growing giving platform, My Ten Nights, and we expect to ensure our DAF works well for them in delivering approximately \$15m of assistance to the most impactful charities on the planet.

This will be supported by an active effort to grow our investment portfolio for the endowment, and we hope to close two more properties in 2022. This will enable us to further illustrate the importance of reviving this prophetic tool of sustainable philanthropy.

We also hope our leadership program will be off to a flying start for the candidates coming from across the country, cultural backgrounds and a university spread from Cambridge to Bradford.

2021 is a year of growth and unity and we look forward to doing justice to these key concerns of British Muslims.

### Structure, governance and management

The charity is a company limited by guarantee and incorporated under the Companies Act 2006. The company's governing document is its Articles of Association. The company's charity number is 1122922 with its company number of 06380231.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M Ikram

Ms F Mohammad

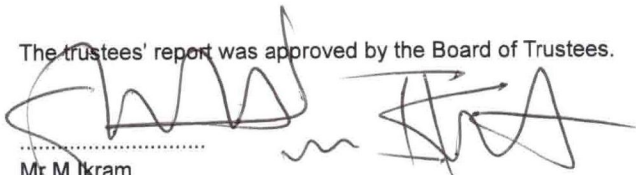
(Appointed 7 October 2021)

Mr I Mansha

The trustees are in regular communication and meet to discuss delivery of the objectives and strategic matters of the charity. A management structure is in place to provide controls and ensure the efficient and successful running of the charity. The trustees may appoint by ordinary resolution a person who is willing and eligible to be a trustee.

All members of the company are entitled to receive notice of any resolution to be put to a general meeting to appoint a trustee. One new trustee was appointed during the year and there were no resignations.

The trustees' report was approved by the Board of Trustees.

  
.....  
Mr M Ikram

Trustee

Date: 25/10/2022  
.....

# MERCY MISSION UK

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MERCY MISSION UK

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I report to the trustees on my examination of the financial statements of Mercy Mission UK (the charity) for the year ended 31 December 2021.

### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

*AMS Accountants Corporate*

**AMS Accountants Corporate Limited**

Chartered Accountants  
Floor 2  
9 Portland Street  
Manchester  
M1 3BE  
United Kingdom

Dated: 28/10/2022 .....



# MERCY MISSION UK

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
	Notes					
<b>Income from:</b>						
Donations and legacies	3	354,723	186,132	540,855	137,643	201,259
Charitable activities	4	9,150	27,142	36,292	-	-
Investments	5	15	-	15	-	-
Covid grant income		-	-	-	27,200	27,200
<b>Total income</b>		<b>363,888</b>	<b>213,274</b>	<b>577,162</b>	<b>164,843</b>	<b>228,459</b>
<b>Expenditure on:</b>						
Raising funds	6	-	7,127	7,127	-	36,319
Charitable activities	7	312,883	82,012	394,895	120,871	120,871
<b>Total expenditure</b>		<b>312,883</b>	<b>89,139</b>	<b>402,022</b>	<b>120,871</b>	<b>157,190</b>
<b>Net incoming resources before transfers</b>		<b>51,005</b>	<b>124,135</b>	<b>175,140</b>	<b>43,972</b>	<b>71,269</b>
Gross transfers between funds		(6,806)	6,806	-	-	-
<b>Net income for the year/ Net movement in funds</b>		<b>44,199</b>	<b>130,941</b>	<b>175,140</b>	<b>43,972</b>	<b>71,269</b>
Fund balances at 1 January 2021		145,748	288,799	434,547	101,776	363,278
<b>Fund balances at 31 December 2021</b>		<b>189,947</b>	<b>419,740</b>	<b>609,687</b>	<b>145,748</b>	<b>434,547</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# MERCY MISSION UK

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	11	12,587		8,815	
Tangible assets	12	1,413,585		1,246	
		1,426,172		10,061	
<b>Current assets</b>					
Debtors	13	5,952		-	
Cash at bank and in hand		227,362		567,127	
		233,314		567,127	
<b>Creditors: amounts falling due within one year</b>	15	(1,049,799)		(142,641)	
Net current (liabilities)/assets		(816,485)		424,486	
<b>Total assets less current liabilities</b>		609,687		434,547	
<b>Income funds</b>					
Restricted funds	16	419,740		288,799	
Unrestricted funds		189,947		145,748	
		609,687		434,547	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 25/10/2022.

Mr M Ikram  
Trustee

Company registration number 06380231

# MERCY MISSION UK

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	19		1,119,358		57,763
<b>Investing activities</b>					
Purchase of intangible assets		(3,772)		-	
Purchase of tangible fixed assets		(1,417,366)		-	
Investment income received		15		-	
<b>Net cash used in investing activities</b>			(1,421,123)		-
<b>Financing activities</b>					
Repayment of borrowings		(38,000)		48,942	
<b>Net cash (used in)/generated from financing activities</b>			(38,000)		48,942
<b>Net (decrease)/increase in cash and cash equivalents</b>			(339,765)		106,705
Cash and cash equivalents at beginning of year			567,127		460,422
<b>Cash and cash equivalents at end of year</b>			227,362		567,127

# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Charity information

Mercy Mission UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 203 Westgate, Bradford, BD1 3AD, England.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.



# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	No amortisation
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#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Fixtures and fittings	20-33% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

##### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	354,723	186,132	540,855	137,643	63,616	201,259

### 4 Charitable activities

	2021 £	2020 £
Future Leadership Programme	9,150	-
Charitable rental income	27,142	-
	36,292	-
Analysis by fund		
Unrestricted funds	9,150	-
Restricted funds	27,142	-
	36,292	-

### 5 Investments

	Unrestricted funds	Total
	2021 £	2020 £
Interest receivable	15	-

# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 6 Raising funds

	Restricted funds	Restricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Other fundraising costs	7,127	36,319
	<u>7,127</u>	<u>36,319</u>

# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Charitable activities

	2021 £	2020 £
Staff costs	55,631	40,672
Depreciation and impairment	5,027	-
Subcontractor costs	405	1,577
Rent and rates	6,151	3,200
Telecommunications	244	411
Travel	677	275
Computer expenses	3,662	5,952
Subscriptions	39	2,591
Advertising	12,967	6,377
Printing and stationery	944	1,031
Legal and professional	11,423	19,161
Consultancy	6,144	-
Accountancy	3,150	3,165
Admin and finance	1,160	2,480
Bank charges	175	108
General expenses	1,385	-
Merchant fees	-	-
Building insurance	14,358	-
Building costs	15,775	-
Property maintenance	28,582	-
Gas and electric	820	-
	<u>168,719</u>	<u>87,000</u>
Grant funding of activities (see note 8)	226,176	33,871
	<u>394,895</u>	<u>120,871</u>
<b>Analysis by fund</b>		
Unrestricted funds	312,883	120,871
Restricted funds	82,012	-
	<u>394,895</u>	<u>120,871</u>

### 8 Grants payable

	2021 £	2020 £
Grants to institutions:		
Grants	<u>226,176</u>	<u>33,871</u>

# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	3	3
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	53,606	36,800
Social security costs	1,675	3,872
Other pension costs	350	-
	<u>          </u>	<u>          </u>
	55,631	40,672
	<u>          </u>	<u>          </u>

There were no employees whose annual remuneration was more than £60,000.

### 11 Intangible fixed assets

	Development costs £
<b>Cost</b>	
At 1 January 2021	8,815
Additions	3,772
	<u>          </u>
At 31 December 2021	12,587
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 January 2021 and 31 December 2021	-
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2021	12,587
	<u>          </u>
At 31 December 2020	8,815
	<u>          </u>



# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2021	-	15,921	15,921
Additions	1,360,000	57,366	1,417,366
	<u>1,360,000</u>	<u>73,287</u>	<u>1,433,287</u>
At 31 December 2021	1,360,000	73,287	1,433,287
<b>Depreciation and impairment</b>			
At 1 January 2021	-	14,675	14,675
Depreciation charged in the year	-	5,027	5,027
	<u>-</u>	<u>19,702</u>	<u>19,702</u>
At 31 December 2021	-	19,702	19,702
<b>Carrying amount</b>			
At 31 December 2021	1,360,000	53,585	1,413,585
	<u>1,360,000</u>	<u>53,585</u>	<u>1,413,585</u>
At 31 December 2020	-	1,246	1,246
	<u>-</u>	<u>1,246</u>	<u>1,246</u>

Freehold property with a carrying value of £1,360,000 was purchased during the year. As a result of this, the Trustees are of the opinion that the carrying value is materially correct at the balance sheet date.

### 13 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,952	-
	<u>5,952</u>	<u>-</u>

### 14 Loans and overdrafts

	2021 £	2020 £
Other loans	72,000	110,000
	<u>72,000</u>	<u>110,000</u>
Payable within one year	72,000	110,000
	<u>72,000</u>	<u>110,000</u>

# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Borrowings	72,000	110,000
Other taxation and social security	5,083	11,681
Trade creditors	1,979	20,983
Other creditors	970,407	(23)
Accruals and deferred income	330	-
	<hr/>	<hr/>
	1,049,799	142,641
	<hr/>	<hr/>

# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020 £	Movement in funds		Balance at 1 January 2021 £	Movement in funds			Transfers	Balance at 31 December 2021 £
		Incoming resources	Resources expended		Incoming resources	Resources expended			
WAQF	261,502	63,616	(36,319)	288,799	82,951	(44,918)	-	-	326,832
FIG	-	-	-	-	38,000	-	-	-	38,000
Rasullah	-	-	-	-	65,055	(10,147)	-	-	54,908
Creative Lofts	-	-	-	-	27,268	(34,074)	6,806	6,806	-
	261,502	63,616	(36,319)	288,799	213,274	(89,139)	6,806	6,806	419,740

# MERCY MISSION UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Intangible fixed assets	12,587	-	12,587	8,815	-	8,815
Tangible assets	3,804	1,409,781	1,413,585	-	1,246	1,246
Current assets/(liabilities)	173,556	(990,041)	(816,485)	136,933	287,553	424,486
	<u>189,947</u>	<u>419,740</u>	<u>609,687</u>	<u>145,748</u>	<u>288,799</u>	<u>434,547</u>

### 18 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

### 19 Cash generated from operations

	2021 £	2020 £
Surplus for the year	175,140	71,269
Adjustments for:		
Investment income recognised in statement of financial activities	(15)	-
Depreciation and impairment of tangible fixed assets	5,027	-
Movements in working capital:		
(Increase)/decrease in debtors	(5,952)	4,000
Increase/(decrease) in creditors	945,158	(17,506)
<b>Cash generated from operations</b>	<u>1,119,358</u>	<u>57,763</u>

### 20 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	567,127	(339,765)	227,362
Loans falling due within one year	(110,000)	38,000	(72,000)
	<u>457,127</u>	<u>(301,765)</u>	<u>155,362</u>