

CHARITY RIGHT
Company Limited by Guarantee
Financial Statements
31 December 2020

PEARLMAN ROSE
Chartered Accountants & Statutory Auditors
39-40 Skylines Village
Limeharbour
London
E14 9TS

CHARITY RIGHT
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2020

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CHARITY RIGHT

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name CHARITY RIGHT

Charity registration number 1163944

Company registration number 09807927

Principal office and registered office 203 Westgate
Bradford
BD1 3AD

The trustees Mr F Butt (Chair)
Mr A U Kidwai (resigned 1 November 2020)
Ms Rahma Javed (appointed 1 November 2020)
Mr A Khan
Dr J El-Murad (resigned 1 November 2020)

Auditor Pearlman Rose
Chartered Accountants & Statutory Auditors
39-40 Skylines Village
Limeharbour
London
E14 9TS

Bankers Al Rayan Bank

National Westminster Bank

CHARITY RIGHT

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

Chairman's Message

The Year 2020 will be talked about for generations to come.

Covid-19 quite literally transformed the world, raising a plethora of underlying issues like people's health, hardship and mental well-being.

Many lost loved ones. Some lost livelihoods and without doubt, we were all tested.

And tests expose us; our faults, weaknesses, our awareness. But it's that awareness that enables us to be more focused and proactive in rectifying aspects of our character. Indeed, tests purify us. So, whilst the year was incredibly difficult, I believe we are better refined because of it.

Yet when going through tribulation, we often forget and fall into fear.

Like many in the charity sector I too was fearful as the pandemic kicked in. How would Charity Right cope...?

The unpredictable nature of Covid-19, the travel and delivery restrictions, global lockdowns (etc) leaving me guessing as to how we would cater for our beneficiaries, from a donation perspective but also logistically.

This was a new and unprecedented challenge.

And so, whilst some were scrambling for extra loo rolls... the Charity Right team doubled down on efforts to stop those already cut off, from starving to death.

The year started with a revamp to our fund-raising process - inspired - much to the credit of our CEO, Sajad Mahmood. During 2019 we had built plans to focus primarily on digital fund-raising. And as the world transitioned online in 2020, we were perfectly placed to deliver our message and relay our objective powerfully and efficiently.

As we approached Ramadan 2020, (despite personal feelings of being at the precipice of a cliff edge), the fund-raising performance was like no other.

That digital strategy and our amazingly generous donor base allowed the organisation to significantly improve its fund-raising efforts from 2019. In fact, it was a record-breaking year!

During 2020, Charity Right served over 10 million meals around the world.

That's almost 1 million meals a month.

Aside from fund raising, we are now more transparent than ever. You've asked us to show more clearly where we spend your money. We can now deliver on those requests.

We do so to ensure our donors have absolute confidence in donating their hard-earned money to Charity Right. We are keen to show everyone we work with, how we deliver on our promise.

Our team (who worked like troopers throughout), has expanded. Our Trustee team too has increased in depth and quality. All in all, it's been an incredible year for the organisation.

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Year ended 31 December 2020

We now aim to feed 2 million meals a month – something I strongly believe can be achieved in the near future.

And so, the Year 2020 has served as a huge reminder for me and no doubt many others. A wake-up call and a reminder.

A reminder on just how special the team is at Charity Right; how remarkable our donors are; and indeed, a profound reminder that our need to serve others is the greatest level of fulfilment anyone can achieve.

Whilst we may not end the suffering tomorrow, I remain optimistic. Come what may, working collectively, we can soon, eradicate poverty.



Fraz Butt
Chair

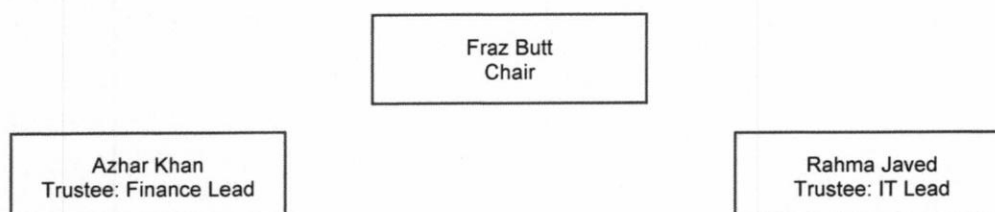
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Year ended 31 December 2020

Structure Governance and Management



The board of trustees draws upon the diverse experiences of its members as the charity endeavours to achieve sustainable growth and notable impact. We aim to ensure the critical functions of the organisation have access to expertise from a non-executive level. The board is looking to add additional board members in the fields of programme delivery / governance and education to provide further support for the executive team.

The governance of the charity is supported through quarterly board meetings and an annual all team away day. The board meetings ensure that all fiduciary responsibilities are completed but also genuine support is given to the delivery of the business plan agreed with the executive team. The annual away day which follows the Ramadan season is one which allows new ideas to be explored and a genuine review of practise to take place.

About Charity Right

We are an international food programme which provides regular meals to school children and families in the most neglected parts of the world. In the case of emergency situations, we aim to find innovative ways to offer long-term support to affected communities, our mission being to see a world in which hunger is no longer a barrier preventing people from reaching their full potential. We aim to empower, inspire and initiate social change and empowerment for those with a will to work for a better future.

Objectives and Activities

We have a number of clear undertakings at the heart of our work:

- a) providing food supplies, items, grants and services to individuals in need and other groups or organisations that are working to prevent and relieve hunger and poverty.
- b) investing in monitoring and evaluation of our programmes to ensure that we are actually delivering what we are raising money for. We do not simply run campaigns, and launch initiatives based on what the media is showing to be a tragedy, rather we make calculated efforts to deliver food assistance in a manner which allows optimal value to be achieved. Expertise to do this does come at a cost, and that is reflected in our cost base.
- c) aiming for a higher customer service standard in the delivery of your aid. We do not buy food and invite the vulnerable to come and collect to ensure the photo opportunity. Rather we employ dedicated case workers which monitor the life circumstances of beneficiaries and deliver food assistance in a dignified and honourable way.

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Year ended 31 December 2020

Achievement and Performance

Towards Education

"Over half our meals are distributed to schoolchildren in places of education. When schools can offer regular meals, children are less likely to work, and more likely to go to school."

Regular Meals

"We know that hunger can only be tackled effectively with long-term solutions. That's why all our programmes provide food regularly either every school day, every week, or every month"

Neglected Communities

"We ensure regular food is made available to schools and families from some of the world's most vulnerable, forgotten, and isolated communities"

Charity Right's work is focused around three programmatic areas: **education, tackling hunger and working with neglected communities**. Our teams work in alignment with these themes to support long-term solutions. **In addition, we continually strive to improve our impact and effectiveness across all areas of our work.**

Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

Our work aligns with and works towards the following goals:

- GOAL 1: No Poverty.
- GOAL 2: Zero Hunger.
- GOAL 3: Good Health and Wellbeing.
- GOAL 4: Quality Education.
- GOAL 5: Gender Equality.
- GOAL 6: Clean Water and Sanitation.
- GOAL 10: Reduced Inequalities.

The nature of our work – fighting hunger - does not easily lend itself to measurable outcomes. Yet the significant impact of feeding children so they are better able to get an education is unquestionable and clear from the illustrations given below. The summary of our work in 2020 in this report will show the reader how successful Charity Right has been in reducing hunger in schools, improving school attendance and the increase in the number of children reporting a positive change in their lives, since receiving a school meal each day.

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Year ended 31 December 2020

Tracking BMI

At Charity Right we record and regularly monitor and evaluate the BMI of all new students in schools that we support in Pakistan, Bangladesh and Sudan; in order to monitor and evaluate the difference that our meal provision is making to a child's growth pattern. **Almost all new students are underweight.**

What Is BMI?

Body mass index (BMI) is a calculation that uses height and weight to estimate how much body fat someone has. Although not a perfect measure of body fat, BMI helps identify children who are gaining weight too slowly or too quickly.

What Do the Figures Mean?

BMI percentiles show how a child's measurements compare with others the same gender and age. For example, if a child has a BMI in the 60th percentile, 60% of the kids of the same gender and age who were measured had a lower BMI.

The categories that describe a person's weight are:

- Underweight: BMI is below the 5th percentile age, gender, and height.
- Healthy weight: BMI is equal to or greater than the 5th percentile and less than the 85th percentile for age, gender, and height.
- Overweight: BMI is at or above the 85th percentile but less than the 95th percentile for age, gender, and height.
- Obese: BMI is at or above the 95th percentile for age, gender, and height.

With much of 2020 affected by Covid-19, Charity Right was unable to collect or evaluate any relevant BMI data. The constant closures of schools and no real method of reaching school children will have undoubtedly affected the nutrition levels across the many regions in which Charity Right operates. Families that struggled to provide a single meal to their children and had been reliant on a school meal for nourishment of their children were tested greatly. We are hopeful that with the re-opening of school's families and children can once again return to both work and school.

Over the course of the year, our work - with our partner organisations, reached almost 19,754 people: 2,129 in Bangladesh. 1,800 in Pakistan. 14,825 in Sudan and 1,000 in Turkey.

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Year ended 31 December 2020

Bangladesh, Dhaka

In Dhaka, millions of children work picking rubbish in landfills, as window washers and as street vendors. Around one in six children between the ages of six and fourteen do not receive any form of education. The most common reason for children's absence or total lack of participation in school is hunger, causing an inability to concentrate or forcing children to work to feed themselves.

Charity Right's school feeding programme in Bangladesh has enabled access to education for hundreds of children. However, due to the Covid-19 lockdown, schools were closed in Dhaka for much of the year. Nevertheless, Charity Right continued to deliver daily food support to our beneficiary children, distributing takeaway tiffin boxes on a staggered roster throughout the day at our beneficiary schools.

Due to the Covid-19 lockdown towards the end of 2020, the families of Charity Right beneficiary students faced a devastating additional hardship. Most of these families live hand-to-mouth, earning a meagre livelihood as daily labourers, rickshaw drivers, housemaids or other petty crafts or trades. However, during the lockdown, these people were prevented from working. Thus, Charity Right supported these families with 3,000 food packs as additional support.

Earlier in the year, Dhaka suffered severe flooding, which also impacted our beneficiary community. Hence in July 2020, Charity Right also delivered food packs as an additional support measure.

Achievements:

- At the end of 2020, there were **928 students** enrolled in our **27 partner schools**
- Covid lockdown relief family food packs: **3,000**
- Flood relief family food packs: **2,000**
- Total meals provided: **2,634,450**

Cox's Bazar (Rohingya Refugees)

There are over 860,000 Rohingya refugees living in Cox's Bazar. Covid-19 has only intensified the hardship these people already face. Lockdowns to mitigate the spread of the virus have resulted in disrupting means of generating income.

In 2020, Charity Right provided daily school meals to 1,019 school children. Our orphanages and madrasas have operated as normal, and we were able to continue providing daily food to families in need. Each month, we were able to provide 72 monthly food packs, and during Ramadan, we provided daily iftar for the children.

Achievements:

- At the end of 2020, there were **1,235 students** enrolled in **9 partner schools**
- Charity Right provided a family food pack to **72 families** every month
- Total meals delivered: **538,474**

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Year ended 31 December 2020

Thar Desert, Pakistan

The Thar Desert in Sindh province, Pakistan is a huge area where 1.6 million people live, spread over 2,400 villages. The literacy rate is at less than 20%, the lowest in Pakistan. Most families live way below the poverty line and don't have adequate health facilities or access to clean water. Malnutrition is widespread. The area is frequently prone to droughts. The Daily Times of Pakistan (2019) reported that 798 government schools in Thar are obsolete due to a lack of registration. Most children are not registered in school at all. Those that do register may never attend because the children have to work to feed themselves and their families.

Our programme addresses this situation through school feeding. The promise of a meal brings children to school. At the same time, they get an education. Improved child nutrition also assists better cognitive development and general health, giving these kids an all-round better future. The programme launched in 2017 with a baseline of 664 students. At the beginning of 2019, it was up to 1,501 students in 10 schools. At the start of 2020, increased enrolment meant that 1,905 students were now registered in those same 10 schools.

Many children enrolled in these schools are from extremely poor families and have had no previous access to education. When these schools closed due to the Covid-19 lockdown in 2020, Charity Right distributed food packs to 608 of the most vulnerable families in the school community. Charity Right also continued to pay cooks' salaries and cover operational costs during the lockdown.

Achievements:

- **Daily school meals** served to **1,905** students in **10 schools**
- A total of **173,332** meals provided over 2020
- **608 food packs** delivered to most vulnerable families during school closure for Covid-19 lockdown

Karachi, Pakistan

When Pakistan implemented a strict Covid-19 lockdown in Karachi, factories and shops were closed, and cleaners and service workers were told to stay home by their employers. Daily workers were severely impacted, and it fell upon charities to ease the economic burden for them and their families. Charity Right responded by providing **3,000 food packs**; each pack provided food for a month.

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Year ended 31 December 2020

Uyghur Muslims in Turkey

The Uyghur population of East Turkistan (aka the Xinjian province of China) have suffered severe human abuses on a massive scale over the past 5 years, with millions of Uyghurs (and other Muslim Turkic minorities) interned in "re-education camps". Some have managed to escape China and sought asylum in Turkey. Often, families were split during migration. Consequently, many Uyghur children who escaped from China or were born in Turkey have lost one or both parents to the camps. Currently, around 50,000 Uyghurs live in Turkey. Many are unskilled women struggling to financially support themselves and their children. They rely on handouts to meet day-to-day needs and struggle to sustain both rent and living costs.

In 2019, Charity Right conducted a field survey in Istanbul, gathering data that indicated 400 families were in urgent need of support. Since the beginning of 2020, Charity Right provided 400 food packs to widows and single-parent families to ease the burden and aim to enable families to establish themselves in Turkey for the long-term. Due to the Covid-19 lockdown, we were unable to facilitate plans to provide vocational skills and language skills to our beneficiaries during this time. However, this programme is now set up and due to launch at the beginning of 2022.

Achievements:

- **400 families** supported with a food pack each month
- **5,000 food packs** provided in total
- **1,335,000 meals** provided in total

Sudan - Kassala and Al-Gedarif States

Sudan is one of the poorest countries in the world. More than two thirds of the population live below the poverty line. Before the Covid-19 pandemic, around 9.3 million people were already in need of humanitarian support across Sudan. Years of conflict, recurrent climatic shocks and disease outbreaks continue to affect the lives and livelihoods of many Sudanese people. Economic turmoil since the revolution in 2019 has contributed to the continued worsening humanitarian situation. In the east of the country, over 500,000 Eritrean refugees, who have lived in exile for decades, are still not able to return home due to ongoing political conflict in their home country.

In our regular programmes in Sudan, we provide school meals in **30 schools** to both refugee and host community students in and around refugee camps in Eastern Sudan. Charity Right also delivers **508 family food packs** to the most vulnerable and needy families in 4 camps in Kassala State. Our programmes continued to operate through the pandemic. Despite these challenges, the schools sponsored by the Charity Right Feeding Programme achieved impressive exam results.

Achievements:

- Daily school meals to **12,585 students** in 30 schools
- Three meals per day to **894 boarding students** in **7 hifz madrassas**
- Monthly food packs to **508** of the most vulnerable families in 4 refugee camps
- A total of **3,900,075 meals** provided in 2020

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Year ended 31 December 2020

Yemen

Armed conflict in Yemen has resulted in the largest humanitarian crisis in the world. More than 20 million people in Yemen live with ongoing food insecurity, 10 million of them at risk of famine.

Charity Right started a regular programme to distribute a monthly family food pack in the remote village of Al-Sarhan in the Radaa District, Al Bayda Governorate in September 2020. The village lost a lot of its adult male population in the fighting, so the community has a lack of breadwinners to support widows, children, and the elderly. Of a population of around 3,000, over 2,000 people need basic assistance. There is no clean water in the village, and the only local water supply is a well which is 2km away. Many of the inhabitants have no homes and live in tents. The only school has been closed for almost 3 years. It was damaged by the war and there is no budget from the government to run the school. However, families receiving food support from Charity Right can now afford to send their children to schools in Radaa town.

Achievements:

- Monthly food packs provided to **300 families**
- A total of **1,050 food packs** provided in 2020
- A total of **485,750 meals** provided in 2020

Challenges Faced in 2020

The main challenge we faced in 2020 was the uncertainty caused by the Covid-19 pandemic and associated lockdowns and restrictions around the world, as well as right here in the UK. These led to school closures and restrictions on movement, which necessitated contingency plans and a whole different way of working. We had no fundraising gatherings in the UK. With the office closed for most of the year, our team had to adapt to working remotely, which was challenging at first but quickly became the new norm.

However, it was pandemic-related restrictions globally that caused the most disruption to our programmes. With school closures in various countries at various times, our delivery was impacted. In some places, like Bangladesh, we were able to continue the feeding programme delivery even while schools were not operating. In others, like Thar, Pakistan, we were able to compensate the beneficiary families for the suspension of school feeding by delivering food packs. In Sudan, we were not able to do either of these while the lockdown was occurring, so the programme did suffer considerably.

The situation in Bangladesh, Sudan and Pakistan was further exasperated by devastating floods in all three countries during 2020.

Key aspirations for 2021

Without a doubt, the most important aspiration for 2021 will be a return to normality while keeping our programmes operating as fully and smoothly as possible, with the assurance of safety for our beneficiaries. We aspire to continue to support our partner schools and maintain the smiles on our pupils' faces when they receive their school meals and family support.

We will continue working with all our existing programmes and plan to grow projects with our implementing partners in other areas in Pakistan, Bangladesh and Turkey. We also plan to start new programmes in Malawi, Ethiopia and Afghanistan. To realise these aspirations, we hope for the continued support of our donors and supporters.

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Year ended 31 December 2020

Financial review

In 2020 the Charity's total income increased by 86 per cent to £3.14m (2019: £1.69m). During the Covid-19 restrictions, all offline activities, such as fundraisers, bucket collections etc, across the sector were halted. This meant that more donors referred to online and digital channels. As a charity focussing on online and digital channels, we benefitted from this driving the significant growth in income.

- Donations and legacies: include regular giving and repeated donations from loyal donors. Our regular giving and repeated donations for 2020 increased to £271k (2019: £176k) representing an increase of 54 per cent. This is encouraging progress reflecting the work done to increase the awareness of the Charity and showcasing the impact of our work.
- Charitable activities: include donations towards appeals and fundraising activities and also includes grant agreements. Income from our appeals and fundraising activities for 2020 of £2.86m (2019: £1.51m), has increased by 89 per cent. This is mainly due to Charity Right now in its 6th year having created a solid and reputable brand which is well recognised.

This increase in charitable activities income is positive. In 2021, the Charity will focus on building upon this further in addition to working on increasing the level of regular donations.

- Charitable expenditure: these include cost of fundraising activities, operations, and welfare aid. Overall, the expenditure increased by almost 28 per cent to £2.12m (2019: £1.66m), driven by the increase in activities

Aid payments increased by almost 24 per cent to £1.39m (2019: £1.13m). In monetary value this is an increase of £267k, of which half was due to Charity Right supporting Pakistan through the Covid crisis with food packs for daily earners.

The Charity's operational expenditure increased by almost 37 per cent to £722k (2019: £528k). During 2020 funds were invested into partnerships such as TDR and Merciful Servant who helped promote the Charity.

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Year ended 31 December 2020

Reserves Policy

Charity Right has a long-term approach to food poverty. The Board has determined that a minimum of 3 months' operational expenditure be maintained as reserves. The Board reviews the reserves policy annually.

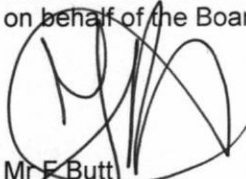
At year-end, Charity Right funds amount to £1.66m (2019: £630k), with restricted funds totalling £267k (2019: £56k).

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- ☒ so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- ☒ they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 30th Dec 2021 and signed on behalf of the Board of Trustees by:



Mr F Butt
Chair of Board of Trustees

CHARITY RIGHT

Company Limited by Guarantee

Independent Auditor's Report to the Members of Charity Right

Year ended 31 December 2020

Opinion

We have audited the financial statements of Charity Right (the 'Charity') for the year ended 31 December 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ☐ give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ☐ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ☐ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ☐ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ☐ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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Independent Auditor's Report to the Members of Charity Right *(continued)*

Year ended 31 December 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ☐ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ☐ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ☐ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ☐ the financial statements are not in agreement with the accounting records and returns; or
- ☐ certain disclosures of trustees' remuneration specified by law are not made; or
- ☐ we have not received all the information and explanations we require for our audit.

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Independent Auditor's Report to the Members of Charity Right *(continued)*

Year ended 31 December 2020

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ☐ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
 - ☐ Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
 - ☐ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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Independent Auditor's Report to the Members of Charity Right *(continued)*

Year ended 31 December 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mohammad Jilani (Senior Statutory Auditor)

For and on behalf of
Pearlman Rose
Chartered Accountants & Statutory Auditors
39-40 Skylines Village
Limeharbour
London
E14 9TS

30 December 2021

CHARITY RIGHT

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2020

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	271,014	–	271,014	175,798
Charitable activities	6	1,731,677	1,125,202	2,856,879	1,509,027
Other trading activities	7	14,787	–	14,787	7,720
Total income		<u>2,017,478</u>	<u>1,125,202</u>	<u>3,142,680</u>	<u>1,692,545</u>
Expenditure					
Expenditure on charitable activities	8	1,229,549	886,833	2,116,382	1,655,471
Total expenditure		<u>1,229,549</u>	<u>886,833</u>	<u>2,116,382</u>	<u>1,655,471</u>
Net (expenditure)/income and net movement in funds		<u>787,929</u>	<u>238,369</u>	<u>1,026,298</u>	<u>37,074</u>
Reconciliation of funds					
Total funds brought forward		573,635	56,221	629,856	592,782
Total funds carried forward		<u>1,361,564</u>	<u>294,590</u>	<u>1,656,154</u>	<u>629,856</u>

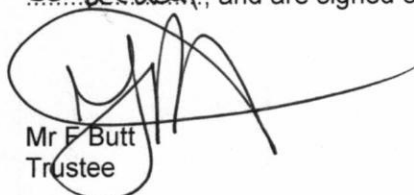
The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 21 to 29 form part of these financial statements.

CHARITY RIGHT
Company Limited by Guarantee
Statement of Financial Position
31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	15	649	865
Current assets			
Debtors	16	173,936	205,238
Cash at bank and in hand		1,215,475	164,457
Investments	17	279,356	279,356
		<u>1,668,767</u>	<u>649,051</u>
Creditors: amounts falling due within one year	18	<u>13,262</u>	<u>20,060</u>
Net current assets		<u>1,655,505</u>	<u>628,991</u>
Total assets less current liabilities		<u>1,656,154</u>	<u>629,856</u>
Net assets		<u>1,656,154</u>	<u>629,856</u>
Funds of the charity			
Restricted funds		1,117,829	56,221
Unrestricted funds		<u>538,325</u>	<u>573,635</u>
Total charity funds	19	<u>1,656,154</u>	<u>629,856</u>

These financial statements were approved by the board of trustees and authorised for issue on 30 Dec 2021, and are signed on behalf of the board by:


Mr F Butt
Trustee

The notes on pages 21 to 29 form part of these financial statements.

CHARITY RIGHT
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net (expenditure)/income	1,026,298	37,074
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	216	288
Accrued income	134,794	121,724
<i>Changes in:</i>		
Trade and other debtors	(103,492)	(238,426)
Trade and other creditors	(6,798)	10,021
Cash generated from operations	1,051,018	(69,319)
Net cash from / (used in) operating activities	<u>1,051,018</u>	<u>(69,319)</u>
Net decrease in cash and cash equivalents	1,051,018	(69,319)
Cash and cash equivalents at beginning of year	164,457	233,776
Cash and cash equivalents at end of year	<u>1,215,475</u>	<u>164,457</u>

The notes on pages 21 to 29 form part of these financial statements.

CHARITY RIGHT

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The Charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 203 Westgate, Bradford, BD1 3AD.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the Charity's ability to continue as a going concern.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the Charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds. These include funds raised at awareness events, specifically designed to support the charity's operational running costs.

CHARITY RIGHT

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from regular giving and donations which have not been triggered by a specific call to action, is treated as voluntary donations and is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from fundraising appeals and events is treated as income generated through charitable activities and is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
- rental income generated from the donated long leasehold property, is treated as unrestricted income and used to further any of the charity's purposes at the discretion of the trustees. This is classified as income from other trading activities.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- ☐ costs of other trading activities includes the costs related to the management of the rental property.
- ☐ expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- ☐ other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

CHARITY RIGHT

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as

s to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

CHARITY RIGHT

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Investment properties are initially measured at cost and, with some exceptions may be subsequently measured using a cost model or fair value model, with changes in the fair value under the fair value model being recognised in profit or loss.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

Charity Right is a company limited by guarantee and accordingly does not have a share capital.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Donations				
Voluntary donations	<u>271,014</u>	<u>—</u>	<u>271,014</u>	<u>175,798</u>

CHARITY RIGHT

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Fundraising income	1,571,981	–	1,571,981
Zakat / Qurbani	–	1,117,829	1,117,829
Gift Aid	159,696	–	159,696
Other income	–	7,373	7,373
	<u>1,731,677</u>	<u>1,125,202</u>	<u>2,856,879</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Fundraising income	811,468	–	811,468
Zakat / Qurbani	–	491,589	491,589
Gift Aid	182,956	–	182,956
Other income	–	23,014	23,014
	<u>994,424</u>	<u>514,603</u>	<u>1,509,027</u>

Other income includes donations received from selected donors through awareness events to generate funds to be specifically used for the operating costs of the charity.

7. Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Rental income	<u>14,787</u>	<u>14,787</u>	<u>7,720</u>	<u>7,720</u>

Rental income relates to the rent received from the long leasehold property during the year.

CHARITY RIGHT

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Notes to the Financial Statements (continued)

Year ended 31 December 2020

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Fundraising activity	367,076	–	367,076
Welfare food distribution - Bangladesh	132,852	254,105	386,687
Welfare food distribution - Pakistan	90,201	175,095	265,296
Welfare food distribution – Sudan	184,401	352,436	536,837
Welfare Yemen	41,460	–	41,460
Welfare Turkey	54,192	105,197	159,389
Welfare Qurbani	4,914	–	4,914
Support costs	354,723	–	354,723
	<u>1,229,549</u>	<u>886,833</u>	<u>2,116,382</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Fundraising activity	237,163	23,014	260,177
Welfare food distribution - Bangladesh	190,718	133,977	324,695
Welfare food distribution - Pakistan	67,560	65,693	133,253
Welfare food distribution – Sudan	395,369	205,637	601,006
Welfare Greece	50	–	50
Welfare Indonesia	12,139	12,254	24,393
Welfare Turkey	2,639	2,041	4,680
Welfare Qurbani	–	39,218	39,218
Support costs	267,999	–	267,999
	<u>1,173,637</u>	<u>481,834</u>	<u>1,655,471</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2020 £	Total fund 2019 £
Fundraising activity	367,076	74,492	441,568	310,431
Welfare food distribution - Bangladesh	386,687	78,039	472,317	387,412
Welfare food distribution - Pakistan	265,296	53,208	323,680	158,992
Welfare food distribution – Sudan	495,498	112,876	608,374	717,094
Welfare Yemen	41,460	–	41,460	–
Welfare Greece	–	–	–	50
Welfare Indonesia	–	–	–	29,105
Welfare Turkey	159,389	31,925	194,420	5,594
Welfare Qurbani	4,914	10,642	20,483	46,793
	<u>1,761,659</u>	<u>354,723</u>	<u>2,116,382</u>	<u>1,655,471</u>

CHARITY RIGHT

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

10. Analysis of support costs

	Charitable activities £	Total 2020 £	Total 2019 £
Staff costs	174,567	174,567	94,866
Premises	9,317	9,317	6,281
Communications and IT	23,608	23,608	22,864
General office	2,238	2,238	320
Human resources	31,666	31,666	13,180
Finance costs	49,618	49,618	49,049
Governance costs	18,343	18,343	39,181
Marketing	41,893	41,893	36,147
Travel	3,475	3,475	6,111
	<u>354,725</u>	<u>354,725</u>	<u>267,999</u>

Gift Aid and the net of income generated through awareness events, including property rental income, together totalling £181,856 has been used to partially cover support costs.

Governance costs includes the costs for trips to evaluate and conduct Monitoring and Evaluation of schools and families projects, and also the cost of conducting the annual audit. This also includes license fees paid to Charity Right Worldwide as part of a brand licensing agreement.

Finance costs also includes card payment processing fees and bank charges.

11. Net (expenditure

Net (expenditure) stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>216</u>	<u>288</u>

12. Auditors remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>4,750</u>	<u>4,750</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	158,856	126,571
Social security costs	15,711	11,333
	<u>174,567</u>	<u>137,905</u>

CHARITY RIGHT

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

13. Staff costs *(continued)*

The average head count of employees during the year was 11 (2019: 11). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of staff - Fundraising & Marketing	5	5
Number of staff - Management and support functions	6	6
	<u>11</u>	<u>11</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

15. Tangible fixed assets

	Equipment £
Cost	
At 1 January 2020 and 31 December 2020	<u>2,403</u>
Depreciation	
At 1 January 2020	1,538
Charge for the year	216
At 31 December 2020	<u>1,754</u>
Carrying amount	
At 31 December 2020	<u>649</u>
At 31 December 2019	<u>865</u>

16. Debtors

	2020 £	2019 £
Prepayments and accrued income	<u>173,396</u>	<u>205,238</u>

Income has been accrued where donations have been made but have not yet have been received due to timing differences, are treated as accrued income relating to the reporting period. The total accrued income for 2020 is £134,794 (2019: £121,724).

Aid payments relating to January 2021 were prepaid in December 2020 to enable the projects to have funding in place at the beginning of 2021. These payments of £39,142 were all expended in January 2021 (2019: £83,514).

CHARITY RIGHT

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2020

17. Investments

	2020 £	2019 £
Other investments	<u>279,356</u>	<u>279,356</u>

Other investments include long leasehold property recorded at fair value at acquisition.

18. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,862	15,310
Accruals and deferred income	<u>5,400</u>	<u>4,750</u>
	<u>13,262</u>	<u>20,060</u>

19. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
General funds	<u>573,635</u>	<u>2,017,478</u>	<u>(1,229,549)</u>	<u>1,361,564</u>

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
General funds	<u>584,913</u>	<u>1,162,359</u>	<u>(1,173,637)</u>	<u>573,635</u>

Restricted funds

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Restricted Funds	<u>56,221</u>	<u>1,125,202</u>	<u>(886,833)</u>	<u>294,590</u>

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Restricted Funds	<u>7,869</u>	<u>530,186</u>	<u>(481,834)</u>	<u>56,221</u>