

AR-RAYYAN FOUNDATION
Unaudited Financial Statements
31 December 2022

FRED MICHAEL & CO

Chartered accountants
216 High Road
Chadwell Heath
Romford
Essex
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AR-RAYYAN FOUNDATION

Financial Statements

Year ended 31 December 2022

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AR-RAYYAN FOUNDATION

Trustees' Annual Report

Year ended 31 December 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2022.

Reference and administrative details

Registered charity name	AR-RAYYAN FOUNDATION
Charity registration number	1181578
Principal office	153 CHIINGFORD LANE LONDON IG3 9QR ESSEX

The trustees

Ms FATIMA OMAR HABIB
Mr GHARIB KHAMIS MAALIM
Mr MASOUD MOHAMMED ALLY
Mr SAID MKUBWA NASSOR
Ms SABRINA NASSIR
MOHAMMED
MS KHADIJA OMAR HABIB
Mr SULEIMAN MSELEM
MBARAK

Independent examiner	Fred Michael & Co 216 High Road, chadwell Heath Essex RM6 6LS
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Structure, governance and management

The charity is managed by trustees with a constitution. The governing document spells out the rules and guidelines to the trustees.

Objectives and activities

AR-RAYYAN FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 December 2022

Achievements and performance

- 1) AR-Rayyan Foundation has continued to run supplementary classes for 5-18 year olds in Dagenham over the weekends to help them improve themselves and their wellbeing.
- 2) The foundation helped to fund the medical treatment of 15 year old Nasir in India who had a cancerous neck tumour.
- 3) AR- Rayyan also helped to fund the eye surgery of 6 year old Hamdan in India.
- 4) In addition to the above AR Rayyan Foundation was involved in the construction of an education centre in Pemba, Zanzibar as well as donating food items to the poor in different villages in Tanzania.

Financial review

The charity set targets to be achieved in fundraising, donations and disbursement. All targets were met. Each year the trustees review the targets and share them with beneficiaries and donors.

The trustees' annual report was approved on and signed on behalf of the board of trustees by:

Ms FATIMA OMAR HABIB
Trustee

Mr MASOUD MOHAMMED ALLY
Trustee

Mr SULEIMAN MSELEM MBARAK
Trustee

AR-RAYYAN FOUNDATION

Independent Examiner's Report to the Trustees of AR-RAYYAN FOUNDATION

Year ended 31 December 2022

I report to the trustees on my examination of the financial statements of AR-RAYYAN FOUNDATION ('the charity') for the year ended 31 December 2022.

Responsibilities and basis of report

Having satisfied myself that the accounts of the company 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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

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

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

Fred Michael & Co
216 High Road, Chadwell Heath
Essex RM6 6LS
Independent Examiner

If not populated, the accountant's address will be used.

AR-RAYYAN FOUNDATION

Statement of Financial Activities

Year ended 31 December 2022

		2022		2021
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	36,712	36,712	42,888
Total income		<u>36,712</u>	<u>36,712</u>	<u>42,888</u>
Expenditure				
Expenditure on charitable activities	5,6	28,562	28,562	41,964
Total expenditure		<u>28,562</u>	<u>28,562</u>	<u>41,964</u>
Net income and net movement in funds		<u>8,150</u>	<u>8,150</u>	<u>924</u>
Reconciliation of funds				
Total funds brought forward		924	924	—
Total funds carried forward		<u>9,074</u>	<u>9,074</u>	<u>(6,006)</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 7 to 11 form part of these financial statements.

AR-RAYYAN FOUNDATION

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Current assets			
Cash at bank and in hand		9,074	924
Net current assets		9,074	924
Total assets less current liabilities		9,074	924
Funds of the charity			
Unrestricted funds		9,074	(6,006)
Total charity funds	9	9,074	(6,006)

These financial statements were approved by the board of trustees and authorised for issue on 31 December 2021, and are signed on behalf of the board by:

Mr GHARIB KHAMIS MAALIM
Trustee

The notes on pages 7 to 11 form part of these financial statements.

AR-RAYYAN FOUNDATION

Statement of Cash Flows

Year ended 31 December 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	8,150	924
<i>Adjustments for:</i>		
Accrued income	—	(720)
Cash generated from operations	8,150	204
Net cash from operating activities	8,150	204
Net increase in cash and cash equivalents	8,150	204
Cash and cash equivalents at beginning of year	924	15,102
Cash and cash equivalents at end of year	9,074	15,306

The notes on pages 7 to 11 form part of these financial statements.

AR-RAYYAN FOUNDATION

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 153 Chingford lane, London, IG3 9QR, Essex.

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 Charities Act 2011.

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 and investment properties 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.

Judgements and key sources of estimation uncertainty

All estimates are made to the best available information. The trustees always sets targets and estimates based on the policies at the time.

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 project or commitment.

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.

AR-RAYYAN FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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 donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- 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.

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:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- 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.

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.

AR-RAYYAN FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

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. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations	36,712	36,712	35,958	35,958
Grants				
Grants receivable type 1	—	—	—	6,930
	<u>36,712</u>	<u>36,712</u>	<u>35,958</u>	<u>42,888</u>

AR-RAYYAN FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

5. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Activity type 1	<u>28,562</u>	<u>28,562</u>	<u>41,964</u>	<u>41,964</u>

6. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds 2022	Total fund 2021
	£	£	£
Activity type 1	<u>28,562</u>	<u>28,562</u>	<u>41,964</u>

7. Staff costs

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

	2022	2021
	£	£
Wages and salaries	8,893	18,785
Social security costs	—	59
	<u>8,893</u>	<u>18,844</u>

The average head count of employees during the year was Nil (2021: Nil).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

8. Trustee remuneration and expenses

- no remuneration or other benefits from employment with the charity or a related entity were received by the trustees; or

9. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
General funds	<u>924</u>	<u>36,712</u>	<u>(28,562)</u>	<u>9,074</u>

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
General funds	<u>—</u>	<u>35,958</u>	<u>(41,964)</u>	<u>(6,006)</u>

AR-RAYYAN FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

10. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	<u>924</u>	<u>8,150</u>	<u>9,074</u>