

Merciful Hearts

Charity No. 1189937

Trustees' Report and Unaudited Accounts

30 June 2022

Merciful Hearts
Contents

	Pages
Trustees' Annual Report	2 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Accounts	7 to 11
Detailed Statement of Financial Activities	12 to 13

The trustees present their report with the unaudited financial statements of the charity for the period ended 30 June 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No. 1189937

Principal Office

Merciful Hearts
227a Alum Rock Road
Birmingham
B8 3BH

Trustees

The following trustees served during the year:

U. Himdy
I. Masoom
O. Mukhtar

Accountants

Taxwise Accountancy
16 Titan Court
Laporte Way
Luton
LU4 8EF

OBJECTIVES AND ACTIVITIES

Merciful Hearts main purpose is to relieve poverty and provide emergency assistance to those suffering around the globe from natural disasters, famine, water shortage and conflicts.

Summary of the main activities include general charitable acts: the advancement of health or saving of lives and the prevention or relief of poverty. This is done through grants to individuals and organisations that in turn provide services such as equipment, food, clothing, infrastructure etc. Notable projects include medical aid, food, water and bread donation, as well as charitable payments of islamic zakat.

All trustees are provided with access and guidance in terms of how to comply with the rules and laws of the Charity Commission, in various different aspects. The group regularly sit down to discuss policies, procedures and adherence to codes of conduct to make sure our aims in relieving poverty align with the edicts of the Charity Commission.

ACHIEVEMENTS AND PERFORMANCE

The charity has been pivotal in creating, disseminating and organising various projects to aid refugees in Turkey. Primarily amongst them were projects for food packs designed to help a family over a prolonged period of time and bread programmes designed to provide a steady supply of bread as a staple food source. There were also water projects providing clean water and clothing/blanket drives designed to tackle hostile weather conditions as Winter set in. The impact this has had on beneficiaries is evident and wide reaching, families have been provided with food and clothing, alongside bread and clean water that has allowed them to sustain themselves, despite harsh living conditions. The food and water have provided health, good nutrition and steady food for otherwise hungry individuals and families.

Statement of trustees' responsibilities in relation to the financial statements

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

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

Signed on behalf of the charity's trustees



U. Himdy
Trustee
31 July 2023

Independent Examiner's Report to the trustees of Merciful Hearts

I report to the trustees on my examination of the financial statements of Merciful Hearts for the period ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011('the Act'). The trustees consider that an audit is not required for this year under the Charities Act 2011, s.144(2) (the 2011 Act) and that an independent examination is needed.

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I can 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:

- the accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of the financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements 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 financial statements to be reached.



Mr Umber Khan, AFA, MIPA
The Institute of Financial Accountants (IFA)
Taxwise Accountancy
16 Titan Court
Laporte Way
Luton

LU4 8EF
31 July 2023

Merciful Hearts
Statement of Financial Activities
for the period ended 30 June 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Notes				
Income and endowments from:					
Donations and legacies	2	18,985	-	18,985	-
Charitable activities	3	-	26,420	26,420	-
Total		18,985	26,420	45,405	-
Expenditure on:					
Charitable activities	4	-	20,260	20,260	-
Other	5	2,471	-	2,471	-
Total		2,471	20,260	22,731	-
Net gains on investments		-	-	-	-
Net income		16,514	6,160	22,674	-
Transfers between funds		-	-	-	-
Net income before other gains/(losses)		16,514	6,160	22,674	-
Other gains and losses					
Net movement in funds		16,514	6,160	22,674	-
Reconciliation of funds:					
Total funds carried forward		16,514	6,160	22,674	-

Merciful Hearts
Balance Sheet
at 30 June 2022

Charity No. 1189937

	2022	2021
	£	£
Current assets		
Cash at bank and in hand	23,274	-
	<u>23,274</u>	<u>-</u>
Creditors: Amount falling due within one year	7 (600)	-
Net current assets	<u>22,674</u>	<u>-</u>
Total assets less current liabilities	<u>22,674</u>	<u>-</u>
Net assets excluding pension asset or liability	<u>22,674</u>	<u>-</u>
Total net assets	<u><u>22,674</u></u>	<u><u>-</u></u>
The funds of the charity		
Restricted funds	8	
Restricted income funds	6,160	-
	<u>6,160</u>	<u>-</u>
Unrestricted funds	8	
Designated funds	16,514	-
	<u>16,514</u>	<u>-</u>
Reserves	8	
Total funds	<u><u>22,674</u></u>	<u><u>-</u></u>

Approved by the trustees on 31 July 2023

And signed on their behalf by:



U. Himdy
Trustee
31 July 2023

for the period ended 30 June 2022

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
Volunteer help	The value of any volunteer help received is not included in the accounts.
Investment income	This is included in the accounts when receivable.
Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.

Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from tax on its charitable activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period. Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred. All exchange differences are taken into account in arriving at net income/expenditure.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

Merciful Hearts
Notes to the Accounts

2 Income from donations and legacies

	Unrestricted	Total 2022	Total 2021
	£	£	£
Other Donations	18,985	18,985	-
Unrestricted	18,985	18,985	-

3 Income from charitable activities

	Restricted	Total 2022	Total 2021
	£	£	£
Food Parcels Donations	6,239	6,239	-
Qurbani Donations	2,484	2,484	-
Sadaqah Donations	150	150	-
Zakat Donations	17,547	17,547	-
	26,420	26,420	-

4 Expenditure on charitable activities

	Restricted	Total 2022	Total 2021
	£	£	£
<i>Expenditure on charitable activities</i>			
Food Parcels Donations	5,756	5,756	-
Qurbani Donations	2,435	2,435	-
Zakat Donations	12,069	12,069	-
<i>Governance costs</i>			
	20,260	20,260	-

5 Other expenditure

	Unrestricted	Total 2022	Total 2021
	£	£	£
General administrative costs	1,871	1,871	-
Legal and professional costs	600	600	-
	2,471	2,471	-

6 Staff costs

No employee received emoluments in excess of £60,000.

7 Creditors:

amounts falling due within one year

	2022	2021
	£	£
Accruals	600	-
	600	-

8 Movement in funds

	Incoming resources (including other gains/losses) £	Resources expended £	At 30 June 2022 £
Restricted funds:			
Restricted income funds:			
Food Parcels Donations	6,239	(5,756)	483
Qurbani Donations	2,484	(2,435)	49
Sadaqah Donations	150	-	150
Zakat Donations	17,547	(12,069)	5,478
<i>Total</i>	<u>26,420</u>	<u>(20,260)</u>	<u>6,160</u>
Unrestricted funds:			
Designated funds:			
Other Donations			
Unrestricted	18,985	(2,471)	16,514
<i>Total</i>	<u>18,985</u>	<u>(2,471)</u>	<u>16,514</u>
Total funds	<u>45,405</u>	<u>(22,731)</u>	<u>22,674</u>

Purposes and restrictions in relation to the funds:

Restricted funds:

Food Parcels Donations

Qurbani Donations

Sadaqah Donations

Zakat Donations

Designated funds:

Other Donations

Unrestricted

9 Analysis of net assets between funds

	Unrestricted funds £	Total £
Net current assets	22,674	22,674
	<u>22,674</u>	<u>22,674</u>

10 Reconciliation of net debt

	Cash flows	At 30 June
	£	2022
	£	£
Cash and cash equivalents	23,274	23,274
	<u>23,274</u>	<u>23,274</u>
Net debt	<u>23,274</u>	<u>23,274</u>

Merciful Hearts
Detailed Statement of Financial Activities
for the period ended 30 June 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:				
Donations and legacies				
Other Donations Unrestricted	18,985	-	18,985	-
	<u>18,985</u>	<u>-</u>	<u>18,985</u>	<u>-</u>
Charitable activities				
Food Parcels Donations	-	6,239	6,239	-
Qurbani Donations	-	2,484	2,484	-
Sadaqah Donations	-	150	150	-
Zakat Donations	-	17,547	17,547	-
	<u>-</u>	<u>26,420</u>	<u>26,420</u>	<u>-</u>
Total income and endowments	18,985	26,420	45,405	-
Expenditure on:				
Charitable activities				
Food Parcels Donations	-	5,756	5,756	-
Qurbani Donations	-	2,435	2,435	-
Zakat Donations	-	12,069	12,069	-
	<u>-</u>	<u>20,260</u>	<u>20,260</u>	<u>-</u>
Total of expenditure on charitable activities	-	20,260	20,260	-
General administrative costs, including depreciation and amortisation				
Information and publications	1,871	-	1,871	-
	<u>1,871</u>	<u>-</u>	<u>1,871</u>	<u>-</u>
Legal and professional costs				
Accountancy and bookkeeping	600	-	600	-
	<u>600</u>	<u>-</u>	<u>600</u>	<u>-</u>
Total of expenditure of other costs	2,471	-	2,471	-
Total expenditure	2,471	20,260	22,731	-
Net gains on investments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income	16,514	6,160	22,674	-
Net income before other gains/(losses)	16,514	6,160	22,674	-
Other Gains	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	16,514	6,160	22,674	-

Merciful Hearts
Detailed Statement of Financial Activities

Reconciliation of funds:

Total funds brought forward	-	-	-	-
Total funds carried forward	<u>16,514</u>	<u>6,160</u>	<u>22,674</u>	<u>-</u>

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