CHARITY REGISTRATION NUMBER: 1181578

AR-RAYYAN FOUNDATION

Unaudited Financial Statements

31 December 2025

FRED MICHAEL & CO
Chartered accountants
12 Town Quay Wharf
Abbey Road
Barking
UK
IG11 7BZ

AR-RAYYAN FOUNDATION

Financial Statements

Year ended 31 December 2025

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AR-RAYYAN FOUNDATION

Trustees' Annual Report

Year ended 31 December 2025

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2025.

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 12 Town Quay Wharf, Abbey Road Barking IG11 7BZ

Structure, governance and management

Trustees meet regularly to oversee operations and ensure compliance with legal and financial responsibilities. All trustees volunteer their time and do not receive remuneration for their services.

The charity has 2 members of paid staff and a number of dedicated volunteers who support its activities. All staff are DBS-checked and trained in the safeguarding of children to ensure a safe environment for all students.

Objectives and activities

The AR-RAYYAN FOUNDATION aims to:

" Relieve financial hardship, particularly for the poor, widows, and orphans.

" Advance education, particularly Islamic and Quaint studies.

" Provide youth and community support services.

In 2025, we focused on:

" Islamic education: Offering Quaint and other essential Islamic studies.

" Community services: Supporting vulnerable groups through grants and educational programs.

" Online learning: Providing global access to Islamic studies through our virtual classroom platform.

Achievements and performance

Throughout 2025, AR-RAYYAN FOUNDATION served its community by expanding its educational reach, both locally and internationally. We successfully delivered:

" Weekend supplementary classes at First Floor, 691 Green Lane, Dagenham, RM8 1UU

" Online Quranic lessons that reached students globally.

" Financial aid to disadvantaged families, in line with our charitable objectives.

Our focus remained on building a safe, welcoming environment where students can grow both spiritually and academically.

Financial review

For the year ending 31 December 2025:

Total Income:	£42,483
Total Expenditure:	£40,730

This resulted in a small surplus of £1753.00, due to increased community support and operational costs.

Main Sources of Income:

Fundraising initiatives run by the charity

Voluntary contributions from parents of children attending our educational establishment

DYLOGICS LIMITED

AUTO TRADE VALLEY

VARDALIA S A

These donations have been vital in maintaining and expanding our charitable activities.

Reserves Policy:

We maintain a small reserve to ensure the sustainability of our operations and to meet unexpected costs.

Plans for future periods

AR-RAYYAN FOUNDATION aspires to continue growing, both in the number of students it serves and the scope of its charitable activities. We plan to:

" Expand educational initiatives, both in-person and online.

" Increase fundraising efforts to ensure long-term sustainability.

" Continue supporting vulnerable individuals through financial aid and community services.

Our commitment remains to foster spiritual and educational growth, rooted in the values of Islam, for the benefit of the wider community.

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 2025

I report to the trustees on my examination of the financial statements of AR-RAYYAN FOUNDATION ('the charity') for the year ended 31 December 2025.

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
12 Town Quay Wharf, Abbey Road
Barking IG11 7BZ
Independent Examiner

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

AR-RAYYAN FOUNDATION

Statement of Financial Activities

Year ended 31 December 2025

	Note	2025 Unrestricted funds £	2025 Total funds £	2024 Total funds £
Income and endowments				
Donations and legacies	**4**	42,483	42,483	–
Other trading activities	**5**	–	–	43,725
Total income		42,483	42,483	43,725
Expenditure				
Expenditure on charitable activities	**6,7**	40,730	40,730	46,321
Total expenditure		40,730	40,730	46,321
Net income/(expenditure) and net movement in funds		1,753	1,753	(2,596)
Reconciliation of funds				
Total funds brought forward		12,799	12,799	15,395
Total funds carried forward		14,552	14,552	12,799

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 9 to 14 form part of these financial statements.

AR-RAYYAN FOUNDATION

Statement of Financial Position

31 December 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	**10**	443	443
Current assets			
Cash at bank and in hand		14,109	12,356
Net current assets		14,109	12,356
Total assets less current liabilities		14,552	12,799
Funds of the charity			
Unrestricted funds		14,552	12,799
Total charity funds	**11**	14,552	12,799

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 9 to 14 form part of these financial statements.

AR-RAYYAN FOUNDATION

Statement of Cash Flows

Year ended 31 December 2025

	2025	2024
	£	£
Cash flows from operating activities		
Net income/(expenditure)	1,753	(2,596)
Cash generated from operations	1,753	(2,596)
Net cash from/(used in) operating activities	1,753	(2,596)
Cash flows from investing activities		
Purchase of tangible assets	–	(443)
Net cash used in investing activities	–	(443)
Net increase/(decrease) in cash and cash equivalents	1,753	(3,039)
Cash and cash equivalents at beginning of year	12,356	9,373
Cash and cash equivalents at end of year	14,109	6,334

The notes on pages 9 to 14 form part of these financial statements.

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.

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.

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 subsequent accumulated depreciation and subsequent accumulated impairment losses.

3. Accounting policies *(continued)*

Tangible assets *(continued)*

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.

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.

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.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Donations				
Donations	42,483	42,483	–	–

5. Other trading activities

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Other income from other trading activities type 1	–	–	36,510	36,510
Other income from other trading activities type 2	–	–	7,215	7,215
	–	–	43,725	43,725

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Activity type 1	40,730	40,730	46,321	46,321

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	**Total funds 2025 £**	Total fund 2024 £
Activity type 1	40,730	40,730	46,321

8. Staff costs

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

	2025	2024
	£	£
Wages and salaries	11,060	12,315
Other employee benefits	9,708	–
	20,768	12,315

The average head count of employees during the year was Nil (2024: Nil).

No employee received employee benefits of more than £60,000 during the year (2024: Nil).

9. Trustee remuneration and expenses

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

10. Tangible fixed assets

	User defined asset
	£
Cost	
At 1 January 2025 and 31 December 2025	443
Depreciation	
At 1 January 2025 and 31 December 2025	–
Carrying amount	
At 31 December 2025	443
At 31 December 2024	443

11. Analysis of charitable funds

Unrestricted funds

	At 1 January 2025	Income	Expenditure	**At 31 December 2025**
	£	£	£	£
General funds	12,799	42,483	(40,730)	14,552

	At 1 January 2024	Income	Expenditure	At 31 December 2024
	£	£	£	£
General funds	15,395	43,725	(46,321)	12,799

12. Analysis of changes in net debt

	At 1 Jan 2025	Cash flows	**At 31 Dec 2025**
	£	£	**£**
Cash at bank and in hand	12,356	1,753	14,109