

DAR ALHEKMA TRUST

England & Wales · Charity number 1007090

Details

Status Registered

Legal form Trust

Registered 1992-01-08

Register [View on the Charity Commission register](#)

Contact

Address 45 Chalton Street
London
NW1 1HY

Phone 02073883107

Email info@al-hekma.org

Website www.al-hekma.org

Activities

Objects: FOR THE PUBLIC BENEFIT: 3.1 THE ADVANCEMENT OF ISLAM IN ACCORDANCE WITH THE TENETS OF THE MUSLIM SHIA ITHNA-ASHARI FAITH; 3.2 THE ADVANCEMENT OF EDUCATION, PARTICULARLY BUT NOT EXCLUSIVELY IN RELATION TO ISLAM AND THE TENETS OF MUSLIM SHIA ITHNA-ASHARI FAITH; 3.3 THE RELIEF OF POVERTY AND SICKNESS AMONGST ADHERENTS OF THE MUSLIM SHIA ITHNA-ASHARI FAITH; 3.4 TO FURTHER OR BENEFIT THE RESIDENTS OF LONDON AND THE SURROUNDING AREA, WITHOUT DISTINCTION OF SEX, SEXUAL ORIENTATION, RACE OR OF POLITICAL, RELIGIOUS OR OTHER OPINIONS BY ASSOCIATING TOGETHER THE SAID RESIDENTS AND THE LOCAL AUTHORITIES, VOLUNTARY AND OTHER ORGANISATIONS IN A COMMON EFFORT TO ADVANCE EDUCATION AND TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION AND LEISURE TIME OCCUPATION WITH THE OBJECTIVE OF IMPROVING THE CONDITIONS OF LIFE FOR THE RESIDENT

Activities: The charity is established by a trust deed. The objectives for which the charity is established are to advance the Islamic religion and education as well as poverty relief

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Religious Activities
- **Who:** Children/young People, People Of A Particular Ethnic Or Racial Origin

Geography

- **Area of benefit:** IN PRACTICE THE U.K.
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£100,572	£156,551	-	-
2023-12-31	£123,083	£172,452	-	-
2022-12-31	£109,321	£159,969	-	-
2021-12-31	£113,015	£137,099	-	-
2020-12-31	£97,553	£137,537	-	-

Trustees

Name	Role	Appointed
Dr Ali Alfaraj		2026-04-11
Dr saeed shehabi		
Hasan Abdulla		2025-02-01

DAR ALHEKMA TRUST

England & Wales - Charity number 1007090

Accounts

Charity registration number 1007090 (England and Wales)

DAR ALHEKMA TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

DAR ALHEKMA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr S Shehabi Mr A Alomran Mr M Mohammad
Charity number (England and Wales)	1007090
Principal address	45 Chalton Street London NW1 1HY
Independent examiner	Mohamedkazim S Bhaloo, FCCA 3 Hobbs House Harrobian Business Village Bessborough Road Harrow Middlesex HA1 3EX
Bankers	The Royal Bank of Scotland Plc Paisley Chief Office 1 Moncrieff Street Paisley PA3 2AW

DAR ALHEKMA TRUST

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DAR ALHEKMA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their report and unaudited financial statements for the year ended 31 December 2024. The legal and administrative information accompanying these financial statements forms a part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are

1. The advancement of Islam in accordance with the tenets of the Muslim Shia Ithna-Ashari Faith.
2. The advancement of education, particularly but not exclusively in relation to Islam and the tenets of Muslim Shia Ithna-Ashari Faith.
3. The relief of poverty and sickness amongst adherents of the Muslim Shia Ithna-Ashari Faith.
4. To further or benefit the residents of London and the surrounding area, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the resident.

The Charity Commission was approached by a member of the press in 2024 in relation to concerns raised over the application of charitable funds, although no evidence supporting these allegations has been communicated to the Trustees at present. In response to the complaint by the press, the Charity Commission nevertheless opened a regulatory case on the matter, which has not yet been closed at the date of authorisation of these financial statements. The Trustees are happy to cooperate with the Charity Commission and will answer any questions that the Charity Commission may have in its role as an independent regulatory body. Based on the correspondence to date from the Charity Commission, the Trustees are expecting a satisfactory conclusion to this enquiry in the near future. The Trustees consider that all activities undertaken by the Charity are for the purpose of contributing to the achievement of its stated aims and objectives and comply with charity law.

Public benefit

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

Achievements and performance

Significant activities and achievements against objectives

When planning the activities for the year, the trustees have considered the Charity Commission's general guidance on public benefit and, in particular, the supplementary guidance on the advancement of religion for the benefit of the public and on charities for the eradication of poverty.

Throughout the year the charity undertook to fulfil its aims through various activities, as follows:

1. Seminars on topical issues such as interfaith, religious and intellectual debates and current affairs. Weekly meetings were also held.
2. Commemoration of the martyrdom of Imam Hussein was held for 10 days in July 2024.
3. Managing the properties which yield the main income of the Trust. The charity has seen an increase in rental income this year.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

The charity's principal activity for generating funds continued to be the letting of property. Incoming resources from generated funds has increased on last year as a result of the rising rent trend in London. The charity was able to support many religious activities during the year under review. The trustees are pleased with the financial management and staff support during the year. The results of the charity's operations are on page 5 to the financial statements.

The Statement of Financial Activities and related notes show how the charity's funds have been applied during the year. The gross receipts of the charity were £100,572 (2023: £123,083). Income received during the year was fully expended on the charities activities. Expenditure during the year totalled £156,551 (2023: £172,452) and net income for the year totalled £372,021 (2023: £49,369 net expenditure). Net income includes an overall increase in value of the charity's investment properties of £428,000 (2023: £Nil). All properties were valued externally by an independent Chartered Surveyor.

Total funds carried forward amounted to £3,547,073 (2023 £3,923,052), comprising a general income fund for charitable activities amounting to £2,821,770 (2023: £2,419,823) and a land and buildings revaluation reserve. The land and buildings revaluation reserve accounts for valuation movements in properties used for the charity's own activities, in accordance with accounting standards. During the year, there was a decrease in the valuation of these properties by £748,000 (2023: £Nil). This movement was based on an external valuation performed by an independent Chartered Surveyor. All funds are unrestricted funds.

The assets of the charity are held in the names of the holding trustees. The Trust Deed authorises the trustees to make capital investment in furtherance of the charity's objectives.

Reserves policy

The trustees consider that the charity's reserves are adequate to meet its day to day expenditure and in the event of a shortfall they have access to sufficient resources to meet any deficit. For this reason the trustees do not require a minimum level of reserves to be maintained. The adequacy of the reserves policy is reviewed on a monthly basis.

Investment policy

Under the constitution document, the charity has power to invest funds which are not immediately required for its purpose and which the managing trustees see fit in furtherance of the charity's objectives.

Major risks

The Trustees recognise that effective risk management is essential in achieving the charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The charity will formalise the risk management and create a risk register which will be reviewed on regular basis.

Plans for future periods

In addition to the objectives outlined above, the charity has additional objectives over the forthcoming 12 months period:

1. To improve the quality of the services offered to the community. Attendance of the youth is much needed in order to create responsible attitudes towards life and society, and resist extremism.
2. To empower women to enable them to take more interactive part in the Trust's activities. Throughout the year some activities for women were held.
3. To enhance the management of the investment part of the Trust. To consider managing the properties ourselves in order to improve the yield.
4. To provide financial assistance towards the education and welfare of individuals in need, consistent with the objectives of the charity.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

The charity is an unincorporated charity formed under a constitution under a deed dated 26 November 1991 as amended on 15 October 2018 as amended by scheme dated 3 December 2019 as amended by resolution dated 24 January 2020. It has been registered with the Charity Commission under reference 1007090.

The Trustees who served during the year were:

Dr S Shehabi
Mr A Alomran
Mr M Mohammad

Recruitment and appointment of trustees

The power to recruit and appoint new Trustees is exercisable by the remaining Trustees. When recruiting a new Trustee, consideration is given to the provisions of the governing document concerning Trustees.

The Trustees of the Trust shall number not more than seven and not less than three and, subject to the provisions of the governing document concerning ceasing to hold office, they shall hold the office of Trustee for their lifetime.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

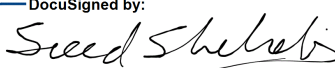
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

EFA5F67692C144F...
Dr S Shehabi
Trustee

19 September 2025

DAR ALHEKMA TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DAR ALHEKMA TRUST

I report to the Trustees on my examination of the financial statements of Dar Alhekma Trust (the charity) for the year ended 31 December 2024.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011.

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) (effective 1 January 2019) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015 and has been adequately disclosed in the notes to the financial statements.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the Charities Act 2011.
- 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 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.

Mohamedkazim S Bhaloo, FCCA

3 Hobbs House
Harrovia Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX
19 September 2025

DAR ALHEKMA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024


	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	2,480	12,945
Investments	4	98,092	110,138
Total income		100,572	123,083
Expenditure on:			
Raising funds	5	46,095	37,177
Charitable activities	6	110,456	135,275
Total expenditure		156,551	172,452
Net gains/(losses) on investments	10	428,000	-
Net income/(expenditure)		372,021	(49,369)
Other recognised gains and losses:			
Revaluation of tangible fixed assets	12	(748,000)	-
Net movement in funds		(375,979)	(49,369)
Reconciliation of funds:			
Fund balances at 1 January 2024		3,923,052	3,972,421
Fund balances at 31 December 2024		3,547,073	3,923,052

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

DAR ALHEKMA TRUST**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2024**

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	12		1,003,530		1,784,206
Investment property	13		2,590,000		2,162,000
			<u>3,593,530</u>		<u>3,946,206</u>
Current assets					
Debtors	14	3,200		7,268	
Cash at bank and in hand		6,916		8,383	
			<u>10,116</u>	<u>15,651</u>	
Creditors: amounts falling due within one year	15	(56,573)		(38,805)	
Net current liabilities			<u>(46,457)</u>		<u>(23,154)</u>
Total assets less current liabilities			<u>3,547,073</u>		<u>3,923,052</u>
The funds of the charity					
Unrestricted funds	16		3,547,073		3,923,052
			<u>3,547,073</u>		<u>3,923,052</u>

The financial statements were approved by the Trustees on 19 September 2025

DocuSigned by:

 EFA5F67692C144F...
 Dr S Shehabi
 Trustee

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Dar Alhekma Trust is a is an unincorporated charity registered in England and Wales governed by a trust deed. The Charity is a public benefit entity. The charity's address is 45 Chalton Street, London, NW1 1HY.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the Charities SORP (FRS102) (2019) not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

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

Donated services and facilities are included at the value to the charity where this can be reliably measured or quantified. The value of services provided by volunteers has not been included in accordance with the requirements of the Charities SORP (FRS102) (2019).

Income from investments is included in the year in which it is receivable.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds comprises the costs associated with the management of the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Valuations of land and buildings are carried out externally by an independent valuer on a regular basis.

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

Land and buildings	50 years straight line
Furniture and equipment	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The element of depreciation charged on the revalued amount of an asset is transferred to the revaluation reserve at the end of each financial year.

1.7 Investment property

Investment properties held as fixed assets are included at open market value as at the balance sheet date. Gains and losses on the annual revaluation are taken to the statement of financial activities. Valuations of investment properties are carried out externally by an independent valuer on an annual basis.

1.8 Financial instruments

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

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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	2,480	12,945

Donated goods and services

A reliable estimate of the cost of the time and effort donated by volunteers in assisting the charity is not possible to quantify or value, so has not been included in these accounts in accordance with the requirements of accounting standards.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	98,051	109,611
Other income	-	500
Interest receivable	41	27
	<u>98,092</u>	<u>110,138</u>

5 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Support costs	46,095	37,177
	<u>46,095</u>	<u>37,177</u>

Fundraising support costs comprises those support costs relating to the Charity's investment properties.

6 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Religious and cultural activities	23,006	33,849
Grant funding	274	-
Share of support and governance costs (see note 7)		
Support	83,696	98,186
Governance	3,480	3,240
	<u>110,456</u>	<u>135,275</u>
Analysis by fund		
Unrestricted funds	<u>110,456</u>	<u>135,275</u>

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 Support costs allocated to activities

	2024 £	2023 £
Staff costs	12,369	33,283
Depreciation	37,176	36,068
Light & heat	24,855	27,537
Cleaning	5,996	7,200
IT expenses	-	772
Repairs	11,177	8,649
Insurance	2,429	2,812
Rates	27,745	15,621
Sundry expenses	2,417	1,869
Telephone	1,965	1,552
Professional fees	3,662	-
Governance costs	3,480	3,240
	<u>133,271</u>	<u>138,603</u>
Analysed between:		
Fundraising	46,095	37,177
Charitable activities	87,176	101,426
	<u>133,271</u>	<u>138,603</u>

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	<u>1</u>	<u>2</u>
Employment costs	2024	2023
	£	£
Wages and salaries	12,152	32,743
Other pension costs	217	540
	<u>12,369</u>	<u>33,283</u>

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

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investment properties	428,000	-

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost or valuation			
At 1 January 2024	2,000,000	33,243	2,033,243
Additions	-	4,500	4,500
Revaluation	(1,000,000)	-	(1,000,000)
At 31 December 2024	1,000,000	37,743	1,037,743
Depreciation and impairment			
At 1 January 2024	216,000	33,037	249,037
Depreciation charged in the year	36,000	1,176	37,176
Revaluation	(252,000)	-	(252,000)
At 31 December 2024	-	34,213	34,213
Carrying amount			
At 31 December 2024	1,000,000	3,530	1,003,530
At 31 December 2023	1,784,000	206	1,784,206

Freehold property is carried at revalued amount less subsequent accumulated depreciation and impairment losses. The most recent revaluation was based on an external valuation performed as at 31 December 2024 by an independent Chartered Surveyor. This professional valuation was made following RICS valuation standards and represents the open market value of the land and buildings with vacant possession.

At 31 December 2024, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £274,697 (2023: £280,771). The revaluation surplus is disclosed in note 15 to the financial statements.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Investment property

	2024
	£
Fair value	
At 1 January 2024	2,162,000
Net gains or losses through fair value adjustments	428,000
	<u>2,590,000</u>
At 31 December 2024	<u>2,590,000</u>

The fair value of investment property is based on external valuations by an independent Chartered Surveyor with a valuation date of 31 December 2024. All properties owned by the Charity were valued. The professional valuations were made following RICS valuation standards and they represent open market value with the existing tenancies and part vacant possession.

14 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	3,200	7,268
	<u>3,200</u>	<u>7,268</u>

15 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	3,385	3,256
Trade creditors	6,678	2,120
Other creditors	39,603	23,216
Accruals and deferred income	6,907	10,213
	<u>56,573</u>	<u>38,805</u>

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These may include designated funds that have been set aside out of unrestricted funds by the trustees for specific purposes.

Current year:

	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
General funds	2,419,823	100,572	(156,551)	29,926	428,000	2,821,770
Revaluation reserve	1,503,229	-	-	(29,926)	(748,000)	725,303
	<u>3,923,052</u>	<u>100,572</u>	<u>(156,551)</u>	<u>-</u>	<u>(320,000)</u>	<u>3,547,073</u>

Previous year:

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
General funds	2,439,266	123,083	(172,452)	29,926	-	2,419,823
Revaluation reserve	1,533,155	-	-	(29,926)	-	1,503,229
	<u>3,972,421</u>	<u>123,083</u>	<u>(172,452)</u>	<u>-</u>	<u>-</u>	<u>3,923,052</u>

Purposes of unrestricted funds:

General funds are funds that can be used in accordance with the charitable objectives, at the discretion of the Trustees.

The revaluation reserve is an unrestricted fund relating to the revaluation surplus on revaluation of land and buildings classified as tangible fixed assets. The element of depreciation charged each year on the revalued amount of land and buildings is transferred to the revaluation reserve at the end of the financial year.

17 Related party transactions

There were no disclosable related party transactions during the year (2023: none).

DAR ALHEKMA TRUST

England & Wales - Charity number 1007090

Accounts

Charity registration number 1007090

DAR ALHEKMA TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

DAR ALHEKMA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr S Shehabi Mr A Alomran Mr M Mohammad
Charity number	1007090
Principal address	45 Chalton Street London NW1 1HY
Independent examiner	Mohamedkazim S Bhaloo, FCCA 3 Hobbs House Harrovia Business Village Bessborough Road Harrow Middlesex HA1 3EX
Bankers	The Royal Bank of Scotland Plc Paisley Chief Office 1 Moncrieff Street Paisley PA3 2AW

DAR ALHEKMA TRUST

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DAR ALHEKMA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and unaudited financial statements for the year ended 31 December 2023. The legal and administrative information accompanying these financial statements forms a part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are

1. The advancement of Islam in accordance with the tenets of the Muslim Shia Ithna-Ashari Faith.
2. The advancement of education, particularly but not exclusively in relation to Islam and the tenets of Muslim Shia Ithna-Ashari Faith.
3. The relief of poverty and sickness amongst adherents of the Muslim Shia Ithna-Ashari Faith.
4. To further or benefit the residents of London and the surrounding area, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the resident.

The Charity Commission was approached by a member of the press in relation to concerns raised over the application of charitable funds. In response to this, the Charity Commission opened a regulatory case on the matter, which had not yet been closed at the date of authorisation of the financial statements. However, the Charity Commission have communicated to the Trustees that no action is required by either the Charity or the Trustees at this stage. The Trustees consider that all activities undertaken by the Charity are for the purpose of contributing to the achievement of its stated aims and objectives and comply with charity law.

Public benefit

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

Achievements and performance

When planning the activities for the year, the trustees have considered the Charity Commission's general guidance on public benefit and, in particular, the supplementary guidance on the advancement of religion for the benefit of the public and on charities for the eradication of poverty.

Throughout the year the charity undertook to fulfil its aims through various activities, as follows:

1. Seminars on topical issues such as interfaith, religious and intellectual debates and current affairs. Weekly meetings were also held.
1. Commemoration of the martyrdom of Imam Hussein was held for 10 days in July 2023.
1. Managing the properties which yield the main income of the Trust. The charity has seen an increase in rental income this year.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The charity's principal activity for generating funds continued to be the letting of property. Incoming resources from generated funds has increased on last year as a result of the rising rent trend in London. The charity was able to support many religious activities during the year under review. The trustees are pleased with the financial management and staff support during the year. The results of the charity's operations are on page 5 to the financial statements.

The Statement of Financial Activities shows how the charity's funds have been applied during the year. The gross receipts of the charity were £123,083 (2022: £109,321). Income was fully expended on the expenditure during the year of £172,452 (2022: £159,969). Total funds carried forward amounted to £3,923,052 (2022 £3,972,421), comprising a general income fund for charitable activities amounting to £2,419,823 (2022: £2,439,266) and a land and buildings revaluation reserve. There was no change to the overall value of the charity's investment properties, which are valued externally on an annual basis. All funds are unrestricted funds.

The assets of the charity are held in the names of the holding trustees. The Trust Deed authorises the trustees to make capital investment in furtherance of the charity's objectives.

Reserves policy

The trustees consider that the charity's reserves are adequate to meet its day to day expenditure and in the event of a shortfall they have access to sufficient resources to meet any deficit. For this reason the trustees do not require a minimum level of reserves to be maintained. The adequacy of the reserves policy is reviewed on a monthly basis.

Investment policy

Under the constitution document, the charity has power to invest funds which are not immediately required for its purpose and which the managing trustees see fit in furtherance of the charity's objectives.

Major risks

The Trustees recognise that effective risk management is essential in achieving the charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The charity will formalise the risk management and create a risk register which will be reviewed on regular basis.

Plans for future periods

In addition to the objectives outlined above, the charity has additional objectives over the forthcoming 12 months period:

1. To improve the quality of the services offered to the community. Attendance of the youth is much needed in order to create responsible attitudes towards life and society, and resist extremism.
2. To empower women to enable them to take more interactive part in the Trust's activities. Throughout the year some activities for women were held.
2. To enhance the management of the investment part of the Trust. To consider managing the properties ourselves in order to improve the yield.
1. To provide financial assistance towards the education and welfare of individuals in need, consistent with the objectives of the charity

Structure, governance and management

The charity is a an unincorporated charity formed under a constitution under a deed dated 26 November 1991 as amended on 15 October 2018 as amended by scheme dated 3 December 2019 as amended by resolution dated 24 January 2020. It has been registered with the Charity Commission under reference 1007090.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees who served during the year were:

Dr S Shehabi
Mr A Alomran
Mr M Mohammad

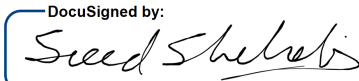
Recruitment and appointment of trustees

The process or recruiting a trustee is as follows:

1. The Trustees of the Trust shall number not more than seven and not less than three and unless any trustee ceases to be a Trustee under the provisions following, he shall hold the office of Trustee for his lifetime.
3. The power to appoint new Trustees who shall hold office for life as aforesaid shall be exercisable by the remaining Trustees.

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

DocuSigned by:



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Dr S Shehabi

Trustee

30 October 2024

DAR ALHEKMA TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DAR ALHEKMA TRUST

I report to the Trustees on my examination of the financial statements of Dar Alhekma Trust (the charity) for the year ended 31 December 2023.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 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 financial statements to be reached.

Mohamedkazim S Bhaloo, FCCA

3 Hobbs House
Harrobian Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

Dated: 30 October 2024

DAR ALHEKMA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	12,945	755
Investments	4	110,138	108,566
Total income		123,083	109,321
Expenditure on:			
Raising funds	5	37,177	38,813
Charitable activities	6	135,275	121,156
Total resources expended		172,452	159,969
Net gains and losses on investments	11	-	(598,000)
Net expenditure for the year/ Net movement in funds		(49,369)	(648,648)
Fund balances at 1 January 2023		3,972,421	4,621,069
Fund balances at 31 December 2023		3,923,052	3,972,421

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

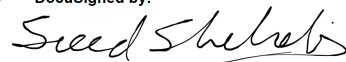
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

DAR ALHEKMA TRUST**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	13		1,784,206		1,820,274
Investment properties	14		2,162,000		2,162,000
			<u>3,946,206</u>		<u>3,982,274</u>
Current assets					
Debtors	15	7,268		5,150	
Cash at bank and in hand		8,383		23,840	
			<u>15,651</u>	<u>28,990</u>	
Creditors: amounts falling due within one year	16	<u>(38,805)</u>		<u>(38,843)</u>	
Net current liabilities			<u>(23,154)</u>		<u>(9,853)</u>
Total assets less current liabilities			<u>3,923,052</u>		<u>3,972,421</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		2,419,823		2,439,266	
Revaluation reserve		<u>1,503,229</u>		<u>1,533,155</u>	
			<u>3,923,052</u>		<u>3,972,421</u>
			<u>3,923,052</u>		<u>3,972,421</u>

The financial statements were approved by the Trustees on 30 October 2024

DocuSigned by:



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Dr S Shehabi

Trustee

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Dar Alhekma Trust is a is an unincorporated charity registered in England and Wales governed by a trust deed. The Charity is a public benefit entity. The charity's address is 45 Chalton Street, London, NW1 1HY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the Charities SORP (FRS102) (2019) not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the applicable edition of the Statement of Recommended Practice for charities rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

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

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in accordance with the Charities SORP (FRS102) (2019).

Income from investments is included in the year in which it is receivable.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds comprises the costs associated with the management of the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

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

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

Land and buildings	50 years straight line
Furniture and equipment	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The element of depreciation charged on the revalued amount of an asset is transferred to the revaluation reserve at the end of each financial year.

1.7 Investment properties

Investment properties held as fixed assets are included at open market value as at the balance sheet date. Gains and losses on the annual revaluation are taken to the statement of financial activities.

1.8 Financial instruments

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

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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.9 Employee benefits

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

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

1.10 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	12,945	755

Donated goods and services

A reliable estimate of the cost of the time and effort donated by volunteers in assisting the charity is not possible to quantify or value, so has not been included in these accounts.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	109,611	108,062
Other income from investment property	500	500
Interest receivable	27	4
	<u>110,138</u>	<u>108,566</u>

5 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>		
Support costs	37,177	38,813
	<u>37,177</u>	<u>38,813</u>

Fundraising Support costs comprises those support costs relating to the Charity's investment properties.

6 Charitable activities

	2023 £	2022 £
Religious and cultural activities	33,849	22,250
Grants to support needy individuals	-	550
Share of support costs (see note 10)	98,186	95,236
Share of governance costs (see note 10)	3,240	3,120
	<u>135,275</u>	<u>121,156</u>

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
2	2
<u>2</u>	<u>2</u>

Employment costs

	2023 £	2022 £
Wages and salaries	32,743	25,615
Staff pension costs	540	394
	<u>33,283</u>	<u>26,009</u>

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

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

8 Net movement in funds

2023 £	2022 £
-----------	-----------

The net movement in funds is stated after charging/(crediting):

Depreciation of owned tangible fixed assets	36,068	36,093
	<u>36,068</u>	<u>36,093</u>

9 Trustees

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

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022	Basis of allocation
	£	£	£	£	£	
Staff costs	33,283	-	33,283	26,009	-	26,009 Directly attributable
Depreciation	36,068	-	36,068	36,093	-	36,093 Directly attributable
Light & heat	27,537	-	27,537	15,530	-	15,530 Directly attributable
Cleaning	7,200	-	7,200	7,200	-	7,200 Directly attributable
IT expenses	772	-	772	10,680	-	10,680 Directly attributable
Repairs	8,649	-	8,649	14,398	-	14,398 Directly attributable
Insurance	2,812	-	2,812	3,108	-	3,108 Directly attributable
Rates	15,621	-	15,621	14,570	-	14,570 Directly attributable
Sundry expenses	1,869	-	1,869	2,436	-	2,436 Directly attributable
Telephone	1,552	-	1,552	1,337	-	1,337 Directly attributable
Professional fees	-	-	-	2,688	-	2,688 Directly attributable
Independent examination fee	-	3,240	3,240	-	3,120	3,120 Governance
	<u>135,363</u>	<u>3,240</u>	<u>138,603</u>	<u>134,049</u>	<u>3,120</u>	<u>137,169</u>
Analysed between						
Fundraising	37,177	-	37,177	38,813	-	38,813
Charitable activities	98,186	3,240	101,426	95,236	3,120	98,356
	<u>135,363</u>	<u>3,240</u>	<u>138,603</u>	<u>134,049</u>	<u>3,120</u>	<u>137,169</u>

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investment properties	-	(598,000)

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost or valuation			
At 1 January 2023	2,000,000	33,243	2,033,243
At 31 December 2023	2,000,000	33,243	2,033,243
Depreciation and impairment			
At 1 January 2023	180,000	32,969	212,969
Depreciation charged in the year	36,000	68	36,068
At 31 December 2023	216,000	33,037	249,037
Carrying amount			
At 31 December 2023	1,784,000	206	1,784,206
At 31 December 2022	1,820,000	274	1,820,274

Land and buildings with a depreciated historic cost of £337,462 were revalued on 25 June 2018 by SN Estates, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £280,771 (2022: £286,845). The revaluation surplus is disclosed in note 15 to the financial statements.

14 Investment property

	2023 £
Cost and fair value	
At 1 January 2023 and 31 December 2023	2,162,000

DAR ALHEKMA TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2023**14 Investment property****(Continued)**

Investment property comprises 32 Bucklebury, Stanhope Street, London and 57 Chalton Street, London. The fair value of the investment property as at 31 December 2023 has been determined from an inspection and market appraisal made by an independent external valuer. The valuation was made on an open market value basis and was determined with reference to local housing market knowledge and property market sales prices.

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	7,268	5,150
	<u>7,268</u>	<u>5,150</u>

16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	3,256	3,614
Trade creditors	2,120	-
Other creditors	23,216	22,496
Accruals and deferred income	10,213	12,733
	<u>38,805</u>	<u>38,843</u>

17 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	540	394
	<u>540</u>	<u>394</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Unrestricted funds

	Movement in funds					Movement in funds				
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Balance at 31 December 2023
	£	£	£	£	£	£	£	£	£	£
General fund	3,057,988	109,321	(159,969)	29,926	(598,000)	2,439,266	123,083	(172,629)	29,926	2,419,646
Land and buildings revaluation reserve	1,563,081	-	-	(29,926)	-	1,533,155	-	-	(29,926)	1,503,229
	<u>4,621,069</u>	<u>109,321</u>	<u>(159,969)</u>	<u>-</u>	<u>(598,000)</u>	<u>3,972,421</u>	<u>123,083</u>	<u>(172,629)</u>	<u>-</u>	<u>3,922,875</u>

Purpose of unrestricted funds:

General funds are funds which can be used in accordance with the charitable objectives at the discretion of the trustees and management committee.

The land and buildings revaluation reserve is an unrestricted fund relating to the revaluation surplus on revaluation of property classified as tangible fixed assets. The element of depreciation charged each year on the revalued amount of an asset is transferred to the revaluation reserve at the end of the financial year.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2023***

19 Related party transactions

There were no related party transactions during the year (2022- none).

DAR ALHEKMA TRUST

England & Wales - Charity number 1007090

Accounts

Charity registration number 1007090

DAR ALHEKMA TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

DAR ALHEKMA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr S Shehabi Mr A Alomran Mr M Ali
Charity number	1007090
Principal address	45 Chalton Street London NW1 1HY
Independent examiner	Mohamedkazim S Bhaloo, FCCA 3 Hobbs House Harrovia Business Village Bessborough Road Harrow Middlesex HA1 3EX
Bankers	The Royal Bank of Scotland Plc Paisley Chief Office 1 Moncrieff Street Paisley PA3 2AW

DAR ALHEKMA TRUST

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DAR ALHEKMA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and unaudited financial statements for the year ended 31 December 2022. The legal and administrative information accompanying these financial statements forms a part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The charity's objects are

1. The advancement of Islam in accordance with the tenets of the Muslim Shia Ithna-Ashari Faith.
2. The advancement of education, particularly but not exclusively in relation to Islam and the tenets of Muslim Shia Ithna-Ashari Faith.
3. The relief of poverty and sickness amongst adherents of the Muslim Shia Ithna-Ashari Faith.
4. To further or benefit the residents of London and the surrounding area, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the resident.

Achievements and performance

When planning the activities for the year, the trustees have considered the Charity Commission's general guidance on public benefit and, in particular, the supplementary guidance on the advancement of religion for the benefit of the public and on charities for the eradication of poverty.

Throughout the year the charity undertook to fulfil its aims through various activities, as follows:

1. Seminars on topical issues such as interfaith, religious and intellectual debates and current affairs. Weekly meetings were also held.
2. Commemoration of the martyrdom of Imam Hussein was held for 10 days in August 2022.
3. Managing the properties which yield the main income of the Trust. The charity has seen an increase in rental income this year.
4. The charity provided financial assistance towards the education and welfare of individuals in need, consistent with the objectives of the charity.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The charity's principal activity for generating funds continued to be the letting of property. Incoming resources from generated funds has increased on last year as a result of the effects of the pandemic on certain tenants during last year. The rental income is expected to increase again in the forthcoming year. The charity was able to support many religious activities during the year under review. The trustees are pleased with the financial management and staff support during the year. The results of the charity's operations are on page 5 to the financial statements.

The Statement of Financial Activities shows how the charity's funds have been applied during the year. The gross receipts of the charity were £109,321 (2021: £113,015). The prior year income was higher due to the receipt of Covid-19 related grants. Income was fully expended on the expenditure during the year of £159,969 (2021: £137,099). Total funds carried forward amounted to £3,972,421 (2021: £4,621,069), comprising a general income fund for charitable activities amounting to £2,439,266 (2021: £3,051,239) and a land and buildings revaluation reserve. All funds are unrestricted funds.

The assets of the charity are held in the names of the holding trustees. The Trust Deed authorises the trustees to make capital investment in furtherance of the charity's objectives.

Reserves policy

The trustees consider that the charity's reserves are adequate to meet its day to day expenditure and in the event of a shortfall they have access to sufficient resources to meet any deficit. For this reason the trustees do not require a minimum level of reserves to be maintained. The adequacy of the reserves policy is reviewed on a monthly basis.

Investment policy

Under the constitution document, the charity has power to invest funds which are not immediately required for its purpose and which the managing trustees see fit in furtherance of the charity's objectives.

Risk management

The Trustees recognise that effective risk management is essential in achieving the charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The charity will formalise the risk management and create a risk register which will be reviewed on regular basis. The identified risks presented by the Covid-19 pandemic are being monitored and mitigated on an ongoing basis.

Future plans

In addition to the objectives outlined above, the charity has additional objectives over the forthcoming 12 months period:

1. To improve the quality of the services offered to the community. Attendance of the youth is much needed in order to create responsible attitudes towards life and society, and resist extremism.
2. To empower women to enable them to take more interactive part in the Trust's activities. Throughout the year some activities for women were held.
3. To enhance the management of the investment part of the Trust. To consider managing the properties ourselves in order to improve the yield.
4. One of the lessons from the pandemic is the use of technology as a means of communication, interaction and delivery. The Trust will endeavour to update its ability to use it and allocate a small investment in equipment to be able to use effectively the new platforms such as Zoom and Youtube.

Structure, governance and management

The charity is a an unincorporated charity formed under a constitution under a deed dated 26 November 1991 as amended on 15 October 2018 as amended by scheme dated 3 December 2019 as amended by resolution dated 24 January 2020. It has been registered with the Charity Commission under reference 1007090.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees who served during the year were:

Dr S Shehabi
Mr A Alomran
Mr M Ali

Recruitment of new trustees:

The process of recruiting a trustee is as follows:

1. The Trustees of the Trust shall number not more than seven and not less than three and unless any trustee ceases to be a Trustee under the provisions following, he shall hold the office of Trustee for his lifetime.
2. The power to appoint new Trustees who shall hold office for life as aforesaid shall be exercisable by the remaining Trustees.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

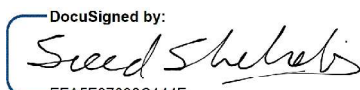
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

EFA5F67692C144F...
Dr S Shehabi
Trustee
Dated: 24 October 2023

DAR ALHEKMA TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DAR ALHEKMA TRUST

I report to the Trustees on my examination of the financial statements of Dar Alhekma Trust (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 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 financial statements to be reached.

Mohamedkazim S Bhaloo, FCCA

3 Hobbs House
Harrovian Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

Dated: 24 October 2023

DAR ALHEKMA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>			
Donations and legacies	3	755	2,755
Investments	4	108,566	104,909
Other income	5	-	5,351
Total income		<u>109,321</u>	<u>113,015</u>
<u>Expenditure on:</u>			
Raising funds	6	<u>38,813</u>	<u>28,552</u>
Charitable activities	7	<u>121,156</u>	<u>108,547</u>
Total resources expended		<u>159,969</u>	<u>137,099</u>
Net gains and losses on investments	11	<u>(598,000)</u>	<u>-</u>
Net expenditure for the year/ Net movement in funds		<u>(648,648)</u>	<u>(24,084)</u>
Fund balances at 1 January 2022		<u>4,621,069</u>	<u>4,645,153</u>
Fund balances at 31 December 2022		<u><u>3,972,421</u></u>	<u><u>4,621,069</u></u>

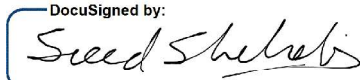
The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

DAR ALHEKMA TRUST**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		1,820,274		1,856,367
Investment properties	14		2,162,000		2,760,000
			<u>3,982,274</u>		<u>4,616,367</u>
Current assets					
Debtors	15	5,150		5,150	
Cash at bank and in hand		23,840		31,267	
			<u>28,990</u>		<u>36,417</u>
Creditors: amounts falling due within one year	16	(38,843)		(31,715)	
Net current (liabilities)/assets			<u>(9,853)</u>		<u>4,702</u>
Total assets less current liabilities			<u>3,972,421</u>		<u>4,621,069</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		2,439,266		3,057,988	
Revaluation reserve		1,533,155		1,563,081	
			<u>3,972,421</u>		<u>4,621,069</u>
			<u>3,972,421</u>		<u>4,621,069</u>

The financial statements were approved by the Trustees on 24 October 2023

DocuSigned by:

 EFA5F67692C144F...
 LT S Shalabi
Trustee

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Dar Alhekma Trust is a is an unincorporated charity registered in England and Wales governed by a trust deed. The Charity is a public benefit entity. The charity's address is 45 Chalton Street, London, NW1 1HY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the Charities SORP (FRS102) (2019) not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the applicable edition of the Statement of Recommended Practice for charities rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

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

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in accordance with the Charities SORP (FRS102) (2019).

Income from investments is included in the year in which it is receivable.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds comprises the costs associated with the management of the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

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

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

Land and buildings	50 years straight line
Furniture and equipment	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The element of depreciation charged on the revalued amount of an asset is transferred to the revaluation reserve at the end of each financial year.

1.7 Investment properties

Investment properties held as fixed assets are included at open market value as at the balance sheet date. Gains and losses on the annual revaluation are taken to the statement of financial activities.

1.8 Financial instruments

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

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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.9 Employee benefits

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

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

1.10 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	755	2,755
	<u> </u>	<u> </u>

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies (Continued)

Donated goods and services

A reliable estimate of the cost of the time and effort donated by volunteers in assisting the charity is not possible to quantify or value, so has not been included in these accounts.

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	108,062	104,909
Other income from investment property	500	-
Interest receivable	4	-
	<u>108,566</u>	<u>104,909</u>

5 Other income

	Total Unrestricted funds	
	2022	2021
	£	£
Coronavirus Job Retention Scheme grants	-	5,351
	<u>-</u>	<u>5,351</u>

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Support costs	38,813	28,552
	<u>38,813</u>	<u>28,552</u>

Fundraising Support costs comprises those support costs relating to the Charity's investment properties.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	2022	2021
	£	£
Religious and cultural activities	22,250	19,430
Grants to support needy individuals	550	300
Share of support costs (see note 7)	95,236	85,697
Share of governance costs (see note 7)	3,120	3,120
	<u>121,156</u>	<u>108,547</u>

8 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	2	3
	<u>2</u>	<u>3</u>

Employment costs

	2022	2021
	£	£
Wages and salaries	25,615	27,410
Staff pension costs	394	256
	<u>26,009</u>	<u>27,666</u>

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

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

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs	Support Governance costs		2022 Support costs		Governance costs		2021 Basis of allocation	
	£	£	£	£	£	£	£	£
Staff costs	26,009	-	26,009	27,666	-	-	27,666	Directly attributable
Depreciation	36,093	-	36,093	36,123	-	-	36,123	Directly attributable
Light & heat	15,530	-	15,530	12,863	-	-	12,863	Directly attributable
Cleaning	7,200	-	7,200	7,200	-	-	7,200	Directly attributable
IT expenses	10,680	-	10,680	3,943	-	-	3,943	Directly attributable
Repairs	14,398	-	14,398	4,012	-	-	4,012	Directly attributable
Insurance	3,108	-	3,108	4,549	-	-	4,549	Directly attributable
Rates	14,570	-	14,570	15,248	-	-	15,248	Directly attributable
Sundry expenses	2,436	-	2,436	1,345	-	-	1,345	Directly attributable
Telephone	1,337	-	1,337	1,300	-	-	1,300	Directly attributable
Professional fees	2,688	-	2,688	-	-	-	-	Directly attributable
Independent examination fee	-	3,120	3,120	-	3,120	-	3,120	Governance
	<u>134,049</u>	<u>3,120</u>	<u>137,169</u>	<u>114,249</u>	<u>3,120</u>	<u>117,369</u>	<u>117,369</u>	
Analysed between								
Fundraising	38,813	-	38,813	28,552	-	-	28,552	
Charitable activities	95,236	3,120	98,356	85,697	3,120	-	88,817	
	<u>134,049</u>	<u>3,120</u>	<u>137,169</u>	<u>114,249</u>	<u>3,120</u>	<u>117,369</u>	<u>117,369</u>	

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Trustees

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

11 Net gains/(losses) on investments

	Unrestricted funds	Total
	2022	2021
	£	£
Revaluation of investment properties	(598,000)	-

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost or valuation			
At 1 January 2022	2,000,000	33,243	2,033,243
At 31 December 2022	2,000,000	33,243	2,033,243
Depreciation and impairment			
At 1 January 2022	144,000	32,876	176,876
Depreciation charged in the year	36,000	93	36,093
At 31 December 2022	180,000	32,969	212,969
Carrying amount			
At 31 December 2022	1,820,000	274	1,820,274
At 31 December 2021	1,856,000	367	1,856,367

Land and buildings with a depreciated historic cost of £337,462 were revalued on 25 June 2018 by SN Estates, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £286,845 (2021: £292,919). The revaluation surplus is disclosed in note 15 to the financial statements.

DAR ALHEKMA TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2022**14 Investment property**

	2022
	£
Cost and fair value	
At 1 January 2022	2,760,000
Fair value adjustments	(598,000)
	<hr/>
At 31 December 2022	2,162,000
	<hr/> <hr/>

Investment property comprises 32 Bucklebury, Stanhope Street, London and 57 Chalton Street, London. The fair value of the investment property has been determined by the Trustees from reviewing an independent external valuation. The valuation was made on an open market value basis and was determined with reference to market evidence and transaction prices for similar properties.

15 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	5,150	5,150
	<hr/>	<hr/>

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	3,614	2,625
Trade creditors	-	2,880
Other creditors	22,496	23,062
Accruals and deferred income	12,733	3,148
	<hr/>	<hr/>
	38,843	31,715
	<hr/> <hr/>	<hr/> <hr/>

DAR ALHEKMA TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

17 Unrestricted funds	Balance at 1 January 2021	Movement in funds				Balance at 1 January 2022	Movement in funds				Balance at 31 December 2022
		Incoming resources	Resources expended	Transfers	£		Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
General fund	3,052,146	113,015	(137,099)	29,926	3,057,988	109,321	(159,969)	29,926	(598,000)	2,439,266	
Land and buildings revaluation reserve	1,593,007	-	-	(29,926)	1,563,081	-	-	(29,926)	-	1,533,155	
	4,645,153	113,015	(137,099)	-	4,621,069	109,321	(159,969)	-	(598,000)	3,972,421	

Purpose of unrestricted funds:

General funds are funds which can be used in accordance with the charitable objectives at the discretion of the trustees and management committee.

The land and buildings revaluation reserve is an unrestricted fund relating to the revaluation surplus on revaluation of property classified as tangible fixed assets. The element of depreciation charged each year on the revalued amount of an asset is transferred to the revaluation reserve at the end of the financial year.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2022***

18 Related party transactions

There were no related party transactions during the year (2021- none).

DAR ALHEKMA TRUST

England & Wales - Charity number 1007090

Accounts

Charity registration number 1007090

DAR ALHEKMA TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

DAR ALHEKMA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr S Shehabi Mr A Alomran Mr M Ali
Charity number	1007090
Principal address	45 Chalton Street London NW1 1HY
Independent examiner	Mohamedkazim S Bhaloo, FCCA 1st Floor, 3 Hobbs House Harrovia Business Village Bessborough Road Harrow Middlesex HA1 3EX
Bankers	The Royal Bank of Scotland Plc Paisley Chief Office 1 Moncrieff Street Paisley PA3 2AW

DAR ALHEKMA TRUST

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DAR ALHEKMA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and unaudited financial statements for the year ended 31 December 2021. The legal and administrative information accompanying these financial statements forms a part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The charity's objects are

1. The advancement of Islam in accordance with the tenets of the Muslim Shia Ithna-Ashari Faith.
2. The advancement of education, particularly but not exclusively in relation to Islam and the tenets of Muslim Shia Ithna-Ashari Faith.
3. The relief of poverty and sickness amongst adherents of the Muslim Shia Ithna-Ashari Faith.
4. To further or benefit the residents of London and the surrounding area, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the resident.

Achievements and performance

When planning the activities for the year, the trustees have considered the Charity Commission's general guidance on public benefit and, in particular, the supplementary guidance on the advancement of religion for the benefit of the public and on charities for the eradication of poverty.

Throughout the year the charity undertook to fulfil its aims through various activities, as follows:

1. Seminars on topical issues such as interfaith, religious and intellectual debates and current affairs. Weekly meetings were also held.
2. Commemoration of the martyrdom of Imam Hussein was held for 10 days in August 2021.
3. Managing the properties which yield the main income of the Trust. The charity has managed to get through a difficult period with the Covid-19 pandemic affecting its tenants, seeing an increase in rental income this year.
4. The charity provided financial assistance towards the education and welfare of individuals in need, consistent with the objectives of the charity.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The charity's principal activity for generating funds continued to be the letting of property. Incoming resources from generated funds has increased on last year as a result of the effects of the pandemic on certain tenants during last year. The rental income is expected to increase again in the forthcoming year. The charity was able to support many religious activities during the year under review. The trustees are pleased with the financial management and staff support during the year. The results of the charity's operations are on page 5 to the financial statements.

The Statement of Financial Activities shows how the charity's funds have been applied during the year. The gross receipts of the charity were £113,015 (2020: £97,553). This was fully expended on the expenditure during the year of £137,099 (2020: £137,537). Total funds carried forward amounted to £4,621,069 (2020: £4,645,153), comprising a general income fund for charitable activities amounting to £3,057,988 (2020: £3,045,397) and a land and buildings revaluation reserve. All funds are unrestricted funds.

The assets of the charity are held in the names of the holding trustees. The Trust Deed authorises the trustees to make capital investment in furtherance of the charity's objectives.

Reserves policy

The trustees consider that the charity's reserves are adequate to meet its day to day expenditure and in the event of a shortfall they have access to sufficient resources to meet any deficit. For this reason the trustees do not require a minimum level of reserves to be maintained. The adequacy of the reserves policy is reviewed on a monthly basis.

Investment policy

Under the constitution document, the charity has power to invest funds which are not immediately required for its purpose and which the managing trustees see fit in furtherance of the charity's objectives.

Risk management

The Trustees recognise that effective risk management is essential in achieving the charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The charity will formalise the risk management and create a risk register which will be reviewed on regular basis. The identified risks presented by the Covid-19 pandemic are being monitored and mitigated on an ongoing basis.

Future plans

In addition to the objectives outlined above, the charity has additional objectives over the forthcoming 12 months period:

1. To improve the quality of the services offered to the community. Attendance of the youth is much needed in order to create responsible attitudes towards life and society, and resist extremism.
2. To empower women to enable them to take more interactive part in the Trust's activities. Throughout the year some activities for women were held.
3. To enhance the management of the investment part of the Trust. To consider managing the properties ourselves in order to improve the yield.
4. One of the lessons from the pandemic is the use of technology as a means of communication, interaction and delivery. The Trust will endeavour to update its ability to use it and allocate a small investment in equipment to be able to use effectively the new platforms such as Zoom and Youtube.

Structure, governance and management

The charity is an unincorporated charity formed under a constitution under a deed dated 26 November 1991 as amended on 15 October 2018 as amended by scheme dated 3 December 2019 as amended by resolution dated 24 January 2020. It has been registered with the Charity Commission under reference 1007090.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees who served during the year were:

Dr S Shehabi
Mr A Alomran
Mr M Ali

Recruitment of new trustees:

The process of recruiting a trustee is as follows:

1. The Trustees of the Trust shall number not more than seven and not less than three and unless any trustee ceases to be a Trustee under the provisions following, he shall hold the office of Trustee for his lifetime.
2. The power to appoint new Trustees who shall hold office for life as aforesaid shall be exercisable by the remaining Trustees.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

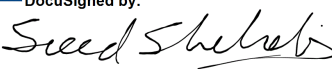
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

EFA5F67692C144F...
Dr S Shehabi

Trustee

Dated: 25 October 2022

DAR ALHEKMA TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DAR ALHEKMA TRUST

I report to the Trustees on my examination of the financial statements of Dar Alhekma Trust (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 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 financial statements to be reached.

Mohamedkazim S Bhaloo, FCCA

1st Floor, 3 Hobbs House
Harrobian Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

Dated: 25 October 2022

DAR ALHEKMA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Donations and legacies	3	2,755	4,066
Investments	4	104,909	93,487
Other income	5	5,351	-
Total income		113,015	97,553
<u>Expenditure on:</u>			
Raising funds	6	28,552	27,433
Charitable activities	7	108,547	110,104
Total resources expended		137,099	137,537
Net gains on investments	11	-	60,000
Net (expenditure)/income for the year/ Net movement in funds		(24,084)	20,016
Fund balances at 1 January 2021		4,645,153	4,625,137
Fund balances at 31 December 2021		4,621,069	4,645,153

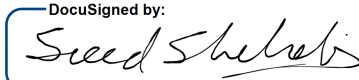
The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

DAR ALHEKMA TRUST**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		1,856,367		1,892,490
Investment properties	13		2,760,000		2,760,000
			<u>4,616,367</u>		<u>4,652,490</u>
Current assets					
Debtors	14	5,150		4,325	
Cash at bank and in hand		31,267		11,625	
		<u>36,417</u>		<u>15,950</u>	
Creditors: amounts falling due within one year	15	<u>(31,715)</u>		<u>(23,287)</u>	
Net current assets/(liabilities)			<u>4,702</u>		<u>(7,337)</u>
Total assets less current liabilities			<u>4,621,069</u>		<u>4,645,153</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		3,057,988		3,045,397	
Revaluation reserve		<u>1,563,081</u>		<u>1,599,756</u>	
			<u>4,621,069</u>		<u>4,645,153</u>
			<u>4,621,069</u>		<u>4,645,153</u>

The financial statements were approved by the Trustees on 25 October 2022

DocuSigned by:

 EFA5F67692C144F...
 Dr S Shehabi
 Trustee

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Dar Alhekma Trust is a is an unincorporated charity registered in England and Wales governed by a trust deed. The Charity is a public benefit entity. The charity's address is 45 Chalton Street, London, NW1 1HY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the Charities SORP (FRS102) (2019) not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the applicable edition of the Statement of Recommended Practice for charities rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

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

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in accordance with the Charities SORP (FRS102) (2019).

Income from investments is included in the year in which it is receivable.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds comprises the costs associated with the management of the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

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

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

Land and buildings	50 years straight line
Furniture and equipment	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The element of depreciation charged on the revalued amount of an asset is transferred to the revaluation reserve at the end of each financial year.

1.7 Investment properties

Investment properties held as fixed assets are included at open market value as at the balance sheet date. Gains and losses on the annual revaluation are taken to the statement of financial activities.

1.8 Financial instruments

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

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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.9 Employee benefits

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

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

1.10 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

DAR ALHEKMA TRUST

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	2,755	4,066

Donated goods and services

A reliable estimate of the cost of the time and effort donated by volunteers in assisting the charity is not possible to quantify or value, so has not been included in these accounts.

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	104,909	93,485
Interest receivable	-	2
	<u>104,909</u>	<u>93,487</u>

5 Other income

	Unrestricted funds	Total
	2021	2020
	£	£
Coronavirus Job Retention Scheme grants	5,351	-

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Support costs	28,552	27,433
	<u>28,552</u>	<u>27,433</u>

DAR ALHEKMA TRUST

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

6 Raising funds

(Continued)

Fundraising Support costs comprises those support costs relating to the Charity's investment properties.

7 Charitable activities

	2021 £	2020 £
Religious and cultural activities	19,430	12,872
Grants to support needy individuals	300	3,770
Share of support costs (see note 7)	85,697	90,582
Share of governance costs (see note 7)	3,120	2,880
	<u>108,547</u>	<u>110,104</u>

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	3	2
	<u>3</u>	<u>2</u>

Employment costs

	2021 £	2020 £
Wages and salaries	27,410	28,851
Staff pension costs	256	492
	<u>27,666</u>	<u>29,343</u>

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

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

DAR ALHEKMA TRUST

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

10 Support costs	Support Governance costs		2021 Support costs		Governance costs		2020 Basis of allocation	
	£	£	£	£	£	£	£	£
Staff costs	27,666	-	27,666	29,343	-	-	29,343	Directly attributable
Depreciation	36,123	-	36,123	36,163	-	-	36,163	Directly attributable
Light & heat	12,863	-	12,863	16,477	-	-	16,477	Directly attributable
Cleaning	7,200	-	7,200	5,250	-	-	5,250	Directly attributable
IT expenses	3,943	-	3,943	3,596	-	-	3,596	Directly attributable
Repairs	4,012	-	4,012	7,598	-	-	7,598	Directly attributable
Insurance	4,549	-	4,549	4,281	-	-	4,281	Directly attributable
Rates	15,248	-	15,248	12,563	-	-	12,563	Directly attributable
Sundry expenses	1,345	-	1,345	1,526	-	-	1,526	Directly attributable
Telephone	1,300	-	1,300	1,218	-	-	1,218	Directly attributable
Independent examination fee	-	3,120	3,120	-	2,880	-	2,880	Governance
	114,249	3,120	117,369	118,015	2,880	-	120,895	
Analysed between								
Fundraising	28,552	-	28,552	27,433	-	-	27,433	
Charitable activities	85,697	3,120	88,817	90,582	2,880	-	93,462	
	114,249	3,120	117,369	118,015	2,880	-	120,895	

DAR ALHEKMA TRUST

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

11 Net gains/(losses) on investments

	Total	Unrestricted funds
	2021	2020
	£	£
Revaluation of investment properties	-	60,000

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost or valuation			
At 1 January 2021	2,000,000	33,243	2,033,243
At 31 December 2021	2,000,000	33,243	2,033,243
Depreciation and impairment			
At 1 January 2021	108,000	32,753	140,753
Depreciation charged in the year	36,000	123	36,123
At 31 December 2021	144,000	32,876	176,876
Carrying amount			
At 31 December 2021	1,856,000	367	1,856,367
At 31 December 2020	1,892,000	490	1,892,490

Land and buildings with a depreciated historic cost of £323,964 were revalued on 25 June 2018 by SN Estates, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £292,919 (2020: £298,993). The revaluation surplus is disclosed in note 15 to the financial statements.

13 Investment property

	2021 £
Cost and fair value	
At 1 January 2021 and 31 December 2021	2,760,000

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Investment property

(Continued)

Investment property comprises 32 Bucklebury, Stanhope Street, London and 57 Chalton Street, London. The fair value of the investment property has been arrived at by using a valuation carried out by the Trustees. The valuation was made on an open market value basis and was determined with reference to market evidence and transaction prices for similar properties. The most recent external valuation was made on 26 June 2018.

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	5,150	4,325
	<u>5,150</u>	<u>4,325</u>

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	2,625	3,570
Trade creditors	2,880	1,520
Other creditors	23,062	15,218
Accruals and deferred income	3,148	2,979
	<u>31,715</u>	<u>23,287</u>

DAR ALHEKMA TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

16 Unrestricted funds	Balance at 1 January 2020	Movement in funds			Balance at 1 January 2021	Movement in funds			Balance at 31 December 2021
		Incoming resources	Resources expended	Transfers		Revaluations, gains and losses	Incoming resources	Resources expended	
	£	£	£	£	£	£	£	£	£
General fund	3,002,204	97,553	(137,537)	29,926	60,000	113,015	(137,099)	29,926	3,057,988
Land and buildings revaluation reserve	1,622,933	-	-	(29,926)	-	-	-	(29,926)	1,563,081
	4,625,137	97,553	(137,537)	-	60,000	113,015	(137,099)	-	4,621,069

Purpose of unrestricted funds:

General funds are funds which can be used in accordance with the charitable objectives at the discretion of the trustees and management committee.

The land and buildings revaluation reserve is an unrestricted fund relating to the revaluation surplus on revaluation of property classified as tangible fixed assets. The element of depreciation charged each year on the revalued amount of an asset is transferred to the revaluation reserve at the end of the financial year.

DAR ALHEKMA TRUST

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

17 Related party transactions

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

DAR ALHEKMA TRUST

England & Wales - Charity number 1007090

Accounts

Charity Registration No. 1007090

DAR ALHEKMA TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

DAR ALHEKMA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr S Shehabi Mr A Alomran Mr M Ali
Charity number	1007090
Principal address	45 Chalton Street London NW1 1HY
Independent examiner	Mohamedkazim S Bhaloo, FCCA 2nd Floor, Congress House Lyon Road Harrow Middlesex HA1 2EN
Bankers	The Royal Bank of Scotland Plc Paisley Chief Office 1 Moncrieff Street Paisley PA3 2AW

DAR ALHEKMA TRUST

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DAR ALHEKMA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and unaudited financial statements for the year ended 31 December 2020. The legal and administrative information accompanying these financial statements forms a part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The charity's objects are

1. The advancement of Islam in accordance with the tenets of the Muslim Shia Ithna-Ashari Faith.
2. The advancement of education, particularly but not exclusively in relation to Islam and the tenets of Muslim Shia Ithna-Ashari Faith.
3. The relief of poverty and sickness amongst adherents of the Muslim Shia Ithna-Ashari Faith.
4. To further or benefit the residents of London and the surrounding area, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the resident.

Achievements and performance

When planning the activities for the year, the trustees have considered the Charity Commission's general guidance on public benefit and, in particular, the supplementary guidance on the advancement of religion for the benefit of the public and on charities for the eradication of poverty.

Throughout the year the charity undertook to fulfil its aims through various activities, as follows:

1. Monthly seminars on topical issues such as interfaith, religious and intellectual debates and current affairs. When Covid-19 situation developed during the reporting period, the Trust closed its doors but continued its activities online. Weekly meetings were also held online between March 2020 and April 2021.
2. Commemoration of the martyrdom of Imam Hussein was held for 10 days in August 2020. They were held mainly online as the Covid-19 pandemic was still prevalent. The Ramadan functions were also held online to avoid the spread of the pandemic.
3. Managing the properties which yield the main income of the Trust. Despite a sharp drop in income, due to tenants unable to pay their rents fully, the charity managed to get through that difficult period.
4. The charity provided financial assistance towards the education and welfare of individuals in need, consistent with the objectives of the charity.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The charity's principal activity for generating funds continued to be the letting of property. Incoming resources from generated funds is lower than previous years as a result of the effects of the pandemic on certain tenants. The rental income is expected to increase to previous levels in the forthcoming year. The charity was able to give grants to support those in need during the pandemic. The trustees are pleased with the financial management and staff support during the year. The results of the charity's operations are on page 5 to the financial statements.

The Statement of Financial Activities shows how the charity's funds have been applied during the year. The gross receipts of the charity were £97,553 (2019: £117,080). The investment properties increased in value by a total of £60,000 during the year. Total funds carried forward amounted to £4,645,393 (2019: £4,625,137), comprising a general income fund for charitable activities amounting to £3,050,916 (2019: £3,002,204) and a land and buildings revaluation reserve. All funds are unrestricted funds.

The assets of the charity are held in the names of the holding trustees. The Trust Deed authorises the trustees to make capital investment in furtherance of the charity's objectives.

Reserves policy

The trustees consider that the charity's reserves are adequate to meet its day to day expenditure and in the event of a shortfall they have access to sufficient resources to meet any deficit. For this reason the trustees do not require a minimum level of reserves to be maintained. The adequacy of the reserves policy is reviewed on a monthly basis.

Investment policy

Under the constitution document, the charity has power to invest funds which are not immediately required for its purpose and which the managing trustees see fit in furtherance of the charity's objectives.

Risk management

The Trustees recognise that effective risk management is essential in achieving the charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The charity will formalise the risk management and create a risk register which will be reviewed on regular basis. The identified risks presented by the Covid-19 pandemic are being monitored and mitigated on an ongoing basis.

Future plans

In addition to the objectives outlined above, the charity has additional objectives over the forthcoming 12 months period:

1. To improve the quality of the services offered to the community. Attendance of the youth is much needed in order to create responsible attitudes towards life and society, and resist extremism.
2. To empower women to enable them to take more interactive part in the Trust's activities. Throughout the year some activities for women were held.
3. To enhance the management of the investment part of the Trust. To consider managing the properties ourselves in order to improve the yield.
4. One of the lessons from the pandemic is the use of technology as a means of communication, interaction and delivery. The Trust will endeavour to update its ability to use it and allocate a small investment in equipment to be able to use effectively the new platforms such as Zoom and Youtube.

Structure, governance and management

The charity is a an unincorporated charity formed under a constitution under a deed dated 26 November 1991 as amended on 15 October 2018 as amended by scheme dated 3 December 2019 as amended by resolution dated 24 January 2020. It has been registered with the Charity Commission under reference 1007090.

DAR ALHEKMA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees who served during the year were:

Dr S Shehabi
Mr A Alomran
Mr M Ali

Recruitment of new trustees:

The process of recruiting a trustee is as follows:

1. The Trustees of the Trust shall number not more than seven and not less than three and unless any trustee ceases to be a Trustee under the provisions following, he shall hold the office of Trustee for his lifetime.
2. The power to appoint new Trustees who shall hold office for life as aforesaid shall be exercisable by the remaining Trustees.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

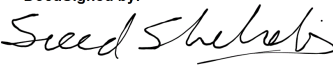
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

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Dr S Shehabi

Trustee

Dated: 29 October 2021

DAR ALHEKMA TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DAR ALHEKMA TRUST

I report to the Trustees on my examination of the financial statements of Dar Alhekma Trust (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 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 financial statements to be reached.

Mohamedkazim S Bhaloo, FCCA

2nd Floor, Congress House
Lyon Road
Harrow
Middlesex
HA1 2EN

Dated: 29 October 2021

DAR ALHEKMA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>			
Donations and legacies	3	4,066	1,000
Investments	4	93,487	116,080
Total income		<u>97,553</u>	<u>117,080</u>
<u>Expenditure on:</u>			
Raising funds	5	<u>27,433</u>	<u>28,403</u>
Charitable activities	6	<u>110,104</u>	<u>117,704</u>
Total resources expended		<u>137,537</u>	<u>146,107</u>
Net gains on investments	10	<u>60,000</u>	<u>-</u>
Net income/(expenditure) for the year/ Net movement in funds		20,016	(29,027)
Fund balances at 1 January 2020		<u>4,625,137</u>	<u>4,654,164</u>
Fund balances at 31 December 2020		<u><u>4,645,153</u></u>	<u><u>4,625,137</u></u>

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

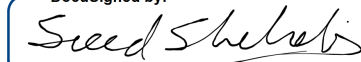
All income and expenditure derive from continuing activities.

DAR ALHEKMA TRUST**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,892,490		1,928,653
Investment properties	12		2,760,000		2,700,000
			<u>4,652,490</u>		<u>4,628,653</u>
Current assets					
Debtors	13	4,325		-	
Cash at bank and in hand		11,625		14,724	
		<u>15,950</u>		<u>14,724</u>	
Creditors: amounts falling due within one year	14	<u>(23,287)</u>		<u>(18,240)</u>	
Net current liabilities			<u>(7,337)</u>		<u>(3,516)</u>
Total assets less current liabilities			<u><u>4,645,153</u></u>		<u><u>4,625,137</u></u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		3,052,146		2,995,455	
Revaluation reserve		<u>1,593,007</u>		<u>1,629,682</u>	
			<u>4,645,153</u>		<u>4,625,137</u>
			<u><u>4,645,153</u></u>		<u><u>4,625,137</u></u>

The financial statements were approved by the Trustees on 29 October 2021

DocuSigned by:



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Dr S Shehabi

Trustee

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Dar Alhekma Trust is a is an unincorporated charity registered in England and Wales governed by a trust deed. The Charity is a public benefit entity. The charity's address is 45 Chalton Street, London, NW1 1HY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the Charities SORP (FRS102) (2019) not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the applicable edition of the Statement of Recommended Practice for charities rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

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

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Income from investments is included in the year in which it is receivable.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Raising funds comprises the costs associated with the management of the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

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

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

Land and buildings	50 years straight line
Furniture and equipment	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The element of depreciation charged on the revalued amount of an asset is transferred to the revaluation reserve at the end of each financial year.

1.7 Investment properties

Investment properties held as fixed assets are included at open market value as at the balance sheet date. Gains and losses on the annual revaluation are taken to the statement of financial activities.

1.8 Financial instruments

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

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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.9 Employee benefits

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

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

1.10 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	4,066	1,000
	<u>4,066</u>	<u>1,000</u>

Donated goods and services

A reliable estimate of the cost of the time and effort donated by volunteers in assisting the charity is not possible to quantify.

4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	93,485	116,075
Interest receivable	2	5
	<u>93,487</u>	<u>116,080</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Support costs	27,433	27,731
	<u>27,433</u>	<u>27,731</u>
Investment management	-	672
	<u>27,433</u>	<u>28,403</u>

Support costs comprises those support costs relating to the charity's investment properties.

DAR ALHEKMA TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2020**6 Charitable activities**

	2020	2019
	£	£
Religious and cultural activities	12,872	20,115
Grants to support needy individuals	3,770	-
Share of support costs (see note 7)	90,582	84,251
Share of governance costs (see note 7)	2,880	13,338
	<u>110,104</u>	<u>117,704</u>

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019	Basis of allocation
	£	£	£	£	£	£	
Staff costs	29,343	-	29,343	19,443	-	19,443	Directly attributable
Depreciation	36,163	-	36,163	36,219	-	36,219	Directly attributable
Light & heat	16,477	-	16,477	13,602	-	13,602	Directly attributable
Cleaning	5,250	-	5,250	6,010	-	6,010	Directly attributable
IT expenses	3,596	-	3,596	-	-	-	Directly attributable
Repairs	7,598	-	7,598	19,835	-	19,835	Directly attributable
Insurance	4,281	-	4,281	4,173	-	4,173	Directly attributable
Rates	12,563	-	12,563	7,145	-	7,145	Directly attributable
Sundry expenses	1,526	-	1,526	3,794	-	3,794	Directly attributable
Telephone	1,218	-	1,218	1,761	-	1,761	Directly attributable
Legal and professional	-	-	-	-	10,818	10,818	Governance
Independent examination fee	-	2,880	2,880	-	2,520	2,520	Governance
	<u>118,015</u>	<u>2,880</u>	<u>120,895</u>	<u>111,982</u>	<u>13,338</u>	<u>125,320</u>	
Analysed between							
Fundraising	27,433	-	27,433	27,731	-	27,731	
Charitable activities	90,582	2,880	93,462	84,251	13,338	97,589	
	<u>118,015</u>	<u>2,880</u>	<u>120,895</u>	<u>111,982</u>	<u>13,338</u>	<u>125,320</u>	

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
	2	2
	<u>2</u>	<u>2</u>
Employment costs	2020	2019
	£	£
Wages and salaries	28,851	19,170
Other pension costs	492	273
	<u>29,343</u>	<u>19,443</u>
	<u>29,343</u>	<u>19,443</u>

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

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

10 Net gains/(losses) on investments

	Unrestricted	Total
	funds	
	2020	2019
	£	£
Revaluation of investment properties	60,000	-
	<u>60,000</u>	<u>-</u>

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost or valuation			
At 1 January 2020	2,000,000	33,243	2,033,243
At 31 December 2020	2,000,000	33,243	2,033,243
Depreciation and impairment			
At 1 January 2020	72,000	32,590	104,590
Depreciation charged in the year	36,000	163	36,163
At 31 December 2020	108,000	32,753	140,753
Carrying amount			
At 31 December 2020	1,892,000	490	1,892,490
At 31 December 2019	1,928,000	653	1,928,653

Land and buildings with a carrying amount of £323,964 were revalued on 25 June 2018 by SN Estates, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £298,993 (2019: £305,067). The revaluation surplus is disclosed in note 15 to the financial statements.

12 Investment property

	2020 £
Cost and fair value	
At 1 January 2020	2,700,000
Net gains or losses through fair value adjustments	60,000
At 31 December 2020	2,760,000

Investment property comprises 32 Bucklebury, Stanhope Street, London and 57 Chalton Street, London. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the Trustees. The valuation was made on an open market value basis by reference to market evidence and transaction prices for similar properties. The most recent external valuation was made on 26 June 2018.

DAR ALHEKMA TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2020

13 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	4,325	-
	<u> </u>	<u> </u>
14 Creditors: amounts falling due within one year	2020	2019
	£	£
Other taxation and social security	3,570	2,144
Trade creditors	1,520	1,000
Other creditors	15,218	12,513
Accruals and deferred income	2,979	2,583
	<u> </u>	<u> </u>
	<u>23,287</u>	<u>18,240</u>

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Unrestricted funds

	Movement in funds				Movement in funds					Balance at 31 December 2020 £
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
General fund	3,001,305	117,080	(146,107)	29,926	3,002,204	97,553	(137,297)	29,926	60,000	3,052,386
Land and buildings revaluation reserve	1,652,859	-	-	(29,926)	1,622,933	-	-	(29,926)	-	1,593,007
	<u>4,654,164</u>	<u>117,080</u>	<u>(146,107)</u>	<u>-</u>	<u>4,625,137</u>	<u>97,553</u>	<u>(137,297)</u>	<u>-</u>	<u>60,000</u>	<u>4,645,393</u>

Purpose of unrestricted funds:

General funds are funds which can be used in accordance with the charitable objectives at the discretion of the trustees and management committee.

The land and buildings revaluation reserve is an unrestricted fund relating to the revaluation surplus on revaluation of property classified as tangible fixed assets. The element of depreciation charged each year on the revalued amount of an asset is transferred to the revaluation reserve at the end of the financial year.

DAR ALHEKMA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2020***

16 Related party transactions

There were no related party transactions during the year (2019- none).

17 Events after the reporting date

On 30 January 2020, the World Health Organisation announced Coronavirus as a global health emergency. On 11 March 2020, it announced that Coronavirus was a global pandemic. This has had the effect of temporarily disrupting after the reporting date a significant part of the charity's charitable activities. This was anticipated by the Trustees before the year end and there is continuing ongoing evaluation by the Trustees to mitigate risks and enable the charity to continue to provide charitable activities in the current climate. In the opinion of the Trustees, it is not practicable to make a reliable estimate of the future financial effect on the net assets of the charity however there has been no significant adverse financial effect on the charity's results for the period to the date of approval of the accounts.