

Charity registration number: 1080962

Al-Mahdi Institute

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Smartax Limited
Chartered Certified Accountants and Statutory Auditors
38 Station Road
Harrow
Middlesex
HA2 7SE

Al-Mahdi Institute

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Al-Mahdi Institute

Reference and Administrative Details

Trustees	Sheikh A Abdulhussein Mr M Ladak Mr A A Dattoo
Senior Management Team	Sheikh A Abdulhussein, Director of the Institute Mr H Bata, Managing Director Mr M I Asaria CBE
Principal Office	60 Weoley Park Road Selly Oak Birmingham B29 6RB
Charity Registration Number	1080962
Bankers	HSBC Bank Plc 96 High Street Kings Heath B14 7LD
Independent Examiner	Smartax Limited Chartered Certified Accountants and Statutory Auditors 38 Station Road Harrow Middlesex HA2 7SE

Al-Mahdi Institute

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2024.

Objectives and activities

Objects and aims

The principle objectives of the charity, in line with those set out in the governing document, include: Provision of an Islamic research and resources Centre; Undertaking research and publishing any useful results for the benefit of the public; Establishing and running an outstanding educational institute (seminary) that will foster active and collaborative links with leading global educational institutes.

More specifically this includes, but is not limited to:

- i. To educate and train scholars and orators who are capable of positively engaging with challenges of plural contemporary societies, through a thorough grounding in the tools of Muslim scholarship and their value in promoting common human values.
- ii. To conduct research and studies, to publish scholarly and grass roots works in pursuit of the objectives of the Institute.
- iii. To maintain libraries and centres to facilitate the attainment of the objectives.
- iv. Conduct outreach activities disseminating the scholarly work of the institute and serving humanitarian goals.
- v. Intra and inter-faith activities as a platform for public engagement and social cohesion on matters arising from the plural context of society and in pursuit of shared human goals.
- vi. Community service programmes seeking to aid volunteering and third sector work in general, with particular focus on capacity building amongst youth groups and women's networks.
- vii. To raise funds and invite and receive contributions from any person or persons whosoever including business organisations by way of subscriptions, donations or otherwise for its charitable objects.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Al-Mahdi Institute

Trustees' Report (continued)

Achievements and performance

The achievements and performance described in this section reflect the activities carried out during the year ended 31 March 2024. These activities include those of the unincorporated charity (Reg. No. 1080962) up to 26 April 2023, at which point all assets and activities were transferred to the CIO (Reg. No. 1191746).

1. Education

This year, the Hawza Programme had 306 students enrol. To support the increase in demand for distance learning over the years, the Al-Mahdi Institute ('AMI') has continued to upgrade its learning management systems, class recording systems and equipment to ensure a seamless and efficient virtual learning environment for students especially during the pandemic.

As part of the collaborative partnership with the University of Birmingham, three more AMI students were awarded a post-graduate scholarship to study the MA in Islamic Studies programme at University of Birmingham.

2. Research

The Institute hosted its 11th annual Contemporary Fiqhi Issues workshop on 6th-7th July 2023 discussing Islamic Perspectives on the Beginning of Human Life: Jurisprudential, Theological and Social Implications' which hosted scholars and academics from all over the world.

The Institute hosted its inaugural Hadith & History Conference on 12th and 13th Feb 2024 titled 'Compiling a Tradition: The History and Development of the Early Imāmī Hadith Corpora'.

The Centre for Intra-Muslim Studies (CIMS) held a two-day convention inviting scholars from all schools of thought to discuss pertinent issues such as the role and scope of gender and sexuality in Islam. The convention was held on 4th & 5th March 2024.

Following the success of the previous Contemporary Fiqhi Issues Workshop, AMI published the conference proceedings of the 2022 workshop titled "Islam and the Institution of Marriage: Legal & Sociological approaches."

AMI Press published "The Way of Nobility: Knowledge of the Imam" a translation of translation of 'Minhāj al-karāma fī ma'rifat al-'Allāma al-Ḥillī in June 2023.

The International Centre for Collective Ijtihad (ICCI) continued to virtually host experts and religious scholars to discuss contemporary issues faced by Muslims around the world such as The Islamic views on Funeral Rites, The relationship between marital contract (nikāḥ) and intercourse in Islam, Vigilantism in Islam, The use of Cannabis for recreational and medicinal purposes, Self-Flegallation, amongst other topics. These discussions were also published as statements on the ICCI website with full justifications.

The Islamic Centre for Decree & Doctrines (DIA) also hosted virtual discussions with scholars of diverse Muslim backgrounds to address pertinent issues revolving around tattoos in Islam, Halal compliance of stunning and slaughter of ovine, Polygyny in Islam and more. These discussions were also published as statements of guidance on the DIA website.

Al-Mahdi Institute

Trustees' Report (continued)

Key non-financial performance indicators

Strategic and specific performance review of above activities operates at multiple levels; project managers/responsible staff operate under review from the Education and Research Board, who in turn are accountable to trustees.

Each activity stream undergoes periodic review by the Education and Research Board - this is informed by recorded stakeholder feedback (e.g. from students, community participants, collaborative organisations, patrons and members of the general public). Assessment of impact is measured against such feedback, the long term goals of the Institute and the cost-effectiveness of the said activity.

Financial review

The Institute showed income totalling £82,162 (2023 - £991,219) for the year ended 31 March 2024.

Expenditure for the year totalled £80,500 (2023 - £979,819) for the year ended 31 March 2024,

The financial results above reflect the point up to which the Charity transitioned to a Charitable Incorporated Organisation.

The net assets transferred were £2.9m. Further details can be found within the structure, governance and management section of the trustees report and note 26 of the financial statements.

Policy on reserves

The charity has a number of restricted funds and details of these are given in note 21.

The charity continues to build up and keep sufficient reserves in order to meet its charitable objectives.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Principal funding sources

The charity is supported currently primarily by a number of key donors. The Trustees ensure that they have processes for the identification of significant donors and recording of such donations in order to comply with legislative requirements.

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Trustees' Report (continued)

Plans for future periods

Aims and key objectives for future periods

Priorities and plans for the future currently include:

- Maintain the open philosophy and non-dogmatic pursuit of excellence in training students of Muslim religious thought in the educational programmes of the Institute
- Grow the student intake across all streams of the educational programmes
- Increase scholarship funding for students
- Increase rigor of virtual learning processes
- Continue to increase the research output of the Institute through hosting workshops and seminars at AMI, and by driving faculty publications and contributions to AMI events
- Build on existing partnerships, and develop new institutional relationships, towards delivery of collaborative research and teaching programmes
- Continue to be at the forefront of Muslim engagement in inter-faith activities across the Institute's education, research and outreach programmes
- Continue translation projects including completion of the Hilli project

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

Sheikh A Abdulhussein
Mr M Ladak
Mr A A Dattoo
Mr H Bata (resigned 30 April 2023)

Senior Management / Leadership
Team:

Sheikh A Abdulhussein, Director of the Institute
Mr H Bata, Managing Director
Mr M I Asaria CBE

Al-Mahdi Institute

Trustees' Report (continued)

Structure, governance and management

Nature of governing document

The charity was an unincorporated entity established under a constitution dated 21 May 2000, which was revised in July 2003 and January 2014. It was registered with the Charity Commission under registration number 1080962.

In October 2020, the charity completed the registration process to become a Charitable Incorporated Organisation (CIO) and was registered with the Charity Commission under a new registration number, 1191746, with its latest constitution dated 3 June 2020. This transition was undertaken to provide a more robust legal structure and ensure limited liability protection for the trustees.

During the year, on 26 April 2023, the charity completed the transfer of all its assets and activities to the newly incorporated CIO. The charitable purposes and objectives of the organisation remain unchanged, and the charity's activities continued seamlessly within the CIO following the transfer.

This report presents the activities of the unincorporated entity up to the date of transfer, after which all activities are accounted for within the CIO. The comparative period reflects the results of the unincorporated entity.

Further details regarding the transfer and the assets transferred can be found in note 26 of the financial statements.

Recruitment and appointment of trustees

The trustees are elected by the members at the annual general meeting and serve office for a period of three years after which they may put themselves up for re-election. The constitution provides for a minimum of three trustees and not more than five trustees due for re-appointment in any one year.

Organisational structure

The trustees have overall responsibility for the activities of the charity but delegate day to day operational matters to the principle and relevant staff.

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 period. 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 business.

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Trustees' Report (continued)

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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 are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 28 January 2025 and signed on its behalf by:

.....
Sheikh A Abdulhussein
Trustee

.....
Mr M Ladak
Trustee

Al-Mahdi Institute

Independent Examiner's Report to the trustees of Al-Mahdi Institute

I report to the trustees on my examination of the accounts of Al-Mahdi Institute for the year ended 31 March 2024.

Responsibilities and basis of report

As the charity trustees of Al-Mahdi Institute you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

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

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

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

.....
Sajjad Rajan FCCA ACA CTA
Smartax Limited

Chartered Certified Accountants and Statutory Auditors
38 Station Road
Harrow
Middlesex
HA2 7SE

28 January 2025

Al-Mahdi Institute

Statement of Financial Activities for the Year Ended 31 March 2024

		Continuing operations 2024 £	Unrestricted funds Discontinued	Restricted funds Discontinued	Discontinued operations Total 2024 £	Total 2023 £
	Note					
Income and Endowments from:						
Donations and legacies	2	-	35,851	7,000	42,851	629,534
Charitable activities	3	-	11,145	-	11,145	29,089
Other trading activities	4	-	8,171	-	8,171	81,859
Investment income	5	-	-	-	-	12
Other income	6	-	19,995	-	19,995	250,725
Total income		-	75,162	7,000	82,162	991,219
Expenditure on:						
Raising funds	7	-	(1,385)	-	(1,385)	-
Charitable activities	8	-	(72,650)	(6,465)	(79,115)	(979,819)
Total expenditure		-	(74,035)	(6,465)	(80,500)	(979,819)
Net income		-	1,127	535	1,662	11,400
Other recognised gains and losses						
Transfer of net assets to CIO	26	-	(2,892,786)	(20,695)	(2,913,481)	-
Net movement in funds		-	(2,891,659)	(20,160)	(2,911,819)	11,400
Reconciliation of funds						
Total funds brought forward		-	2,891,659	20,160	2,911,819	2,900,419
Total funds carried forward	21	-	-	-	-	2,911,819

The comparative figures for 2023 all relate to discontinued operations.

The funds breakdown for 2023 is shown in note 21.

Al-Mahdi Institute
(Registration number: 1080962)
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	15	-	2,935,468
Current assets			
Debtors	16	-	61,541
Cash at bank and in hand	17	-	31,178
		-	92,719
Creditors: Amounts falling due within one year	18	-	(94,628)
Net current liabilities		-	(1,909)
Total assets less current liabilities		-	2,933,559
Creditors: Amounts falling due after more than one year	19	-	(21,740)
Net assets		-	2,911,819
Funds of the charity:			
Restricted income funds			
Restricted funds		-	20,160
Unrestricted income funds			
Unrestricted funds		-	2,891,659
Total funds	21	-	2,911,819

The financial statements on pages 9 to 28 were approved by the trustees, and authorised for issue on 28 January 2025 and signed on their behalf by:

.....
 Sheikh A Abdulhussein
 Trustee

.....
 Mr M Ladak
 Trustee

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Al-Mahdi Institute meets the definition of a public benefit entity under FRS 102. The nature of the Charity's operations and principal activities are the provision of an Institute for Islamic research and resources, undertaking research and publication of any useful restful for the benefit of the public. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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

Going concern

The charity transferred all its assets and activities to a new Charitable Incorporated Organisation as of 26 April 2023. As a result the unincorporated charity ceased on the transfer but the activities continued under the new Charitable Incorporated Organisation.

Judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Gift aid

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Other trading activities

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Other income

Rental income is recognised in the period in which the income falls due on an accruals basis.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its educational 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.

Grant expenditure

Grants payable are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure. Where a grant has been made for the benefit of an individual, or a group of individuals, through the means of an institution, this is recorded as a grant to the institution.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, staff costs by the time spent and other costs by their usage.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The charity is considered to be exempt from tax on its charitable activities.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Long-term leasehold property	Straight line over 50 years
Equipment and fittings	Reducing balance over 4 years

Impairment of fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Fixed asset investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost (which is equivalent to fair value) and subsequently measured at fair value at each balance sheet date. They are comprised of assets held under an agreement, generating a stream of rental income, with specific capital repayments over their economic lives. The fair value of the investments is reduced over time, reflecting the discounted future income streams, net of capital repayments, to which the charity is entitled. Any modifications to the terms of agreement are reflected in impairments in the investment.

Income from fixed assets investments is accounted for as receivable over the term of the financial instrument and shown as rental income in the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the fair value at the year end.

Trade debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Trade creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Creditors are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Statement of Financial Activities in the period in which they arise.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Assets held for use in operating leases are included in fixed assets at cost and depreciated over their useful life.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Pensions and other post retirement obligations

The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Donations and legacies;				
General donations	35,851	7,000	42,851	509,534
Building donations	-	-	-	120,000
	<u>35,851</u>	<u>7,000</u>	<u>42,851</u>	<u>629,534</u>

£482,431 of the prior year income was attributable to unrestricted funds and £147,103 to restricted funds.

3 Income from charitable activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Educational and research activities	<u>11,145</u>	<u>11,145</u>	<u>29,089</u>

£19,789 of the prior year income was attributable to unrestricted funds and £9,300 to restricted funds.

4 Income from other trading activities

	Unrestricted funds General £	Total funds £	Total 2023 £
Wedding and room hire	<u>8,171</u>	<u>8,171</u>	<u>81,859</u>
	<u>8,171</u>	<u>8,171</u>	<u>81,859</u>

All of the prior year income was attributable to unrestricted funds.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

5 Investment income

	Total 2024 £	Total 2023 £
Interest receivable and similar income;		
Interest receivable on bank deposits	-	12

All of the prior year income was attributable to unrestricted funds.

6 Other income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Rental and accommodation income	19,995	19,995	240,725
Government grants	-	-	10,000
	<u>19,995</u>	<u>19,995</u>	<u>250,725</u>

All of the prior year income was attributable to unrestricted funds.

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Wedding and hire expenses	1,385	1,385	-
	<u>1,385</u>	<u>1,385</u>	<u>-</u>

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

8 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	2024 £
Educational and research activities	<u>65,160</u>	<u>1,621</u>	<u>12,334</u>	<u>79,115</u>
	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	2023 £
Educational and research activities	<u>810,917</u>	<u>25,386</u>	<u>143,515</u>	<u>979,818</u>

£72,650 (2023 - £872,701) of the above expenditure was attributable to unrestricted funds and £6,465 (2023 - £107,118) to restricted funds.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Finance costs £	Staff costs £	Total 2024 £
Educational and research activities	<u>450</u>	<u>444</u>	<u>11,439</u>	<u>12,333</u>
	Governance costs £	Finance costs £	Staff costs £	Total 2023 £
Educational and research activities	<u>28,955</u>	<u>3,777</u>	<u>110,783</u>	<u>143,515</u>

£12,333 (2023 - £142,411) of the above expenditure was attributable to unrestricted funds and £Nil (2023 - £1,104) to restricted funds.

Governance costs

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Audit fees			
Audit of the financial statements	-	-	7,017
Legal and professional fees	<u>450</u>	<u>450</u>	<u>21,938</u>
	<u>450</u>	<u>450</u>	<u>28,955</u>

All of the prior year governance costs were attributable to unrestricted funds.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

10 Grant-making

Analysis of grants

	Grants to institutions		Grants to individuals	
	2024	2023	2024	2023
	£	£	£	£
Analysis				
Educational activities	1,471	22,126	150	3,260

The support costs associated with grant-making are £299 (31 March 2023 - £4,356).

Below are details of material grants made to institutions.

	2024	2023
	£	£
Name of institution		
Beta Charitable Trust	1,421	16,076
Clifton Road Food Bank	50	6,050
	1,471	22,126

11 Net incoming/outgoing resources

Net incoming resources for the year include:

	2024	2023
	£	£
Audit fees	-	7,017
Independent examiner's fee	1,800	-
Depreciation of fixed assets	7,055	100,107
Finance charges payable	48	2,047

12 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

The Director of the Institute, who is also a trustee, received remuneration of 3,864 (2023 - 58,220) during the year. The remuneration served as a salary for his capacity as a principal during the period until transfer into the CIO. Pension contributions paid by the charity totalled £91 (2023 - £1,321). Consent for the remuneration was sought for and granted by the Charity Commission in May 2010. Expenses reimbursed during the year amounted to £122 (2023 - £6,113).

The Managing Director of the Institute received remuneration of £2,961 (2023 - £3,544) during the period whilst he was a trustee.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Donations made by the trustees and their families without any conditions attached totalled £822 for the year (2023 - £3,739).

13 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	29,079	386,408
Social security costs	-	30,781
Pension costs	562	7,910
Other staff costs	344	5,833
	<u>29,985</u>	<u>430,932</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Administration	8	7
Teachers and lecturers	9	11
	<u>17</u>	<u>18</u>

The trustees consider that key management personnel comprise of the Director of the Institute, the Managing Director, Mr M I Asaria CBE and the trustees. The cost to the charity of remuneration of key management personnel (composing of gross pay, benefits in kind, employer's national insurance and employer's pension) was £6,992 for the period (2023 - £114,017).

14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2023	3,509,614	418,987	3,928,601
Transferred to the CIO	<u>(3,509,614)</u>	<u>(418,987)</u>	<u>(3,928,601)</u>
At 31 March 2024	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 April 2023	704,845	288,288	993,133
Charge for the year	4,808	2,238	7,046
Transferred to the CIO	<u>(709,653)</u>	<u>(290,526)</u>	<u>(1,000,179)</u>
At 31 March 2024	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 2024	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2023	<u>2,804,769</u>	<u>130,699</u>	<u>2,935,468</u>

Included within the net book value of land and buildings above is £Nil (2023 - £Nil) in respect of freehold land and buildings and £Nil (2023 - £2,804,768) in respect of leaseholds.

16 Debtors

	2024 £	2023 £
Trade debtors	-	23,439
Prepayments	-	17,881
Accrued income	-	1,237
Other debtors	<u>-</u>	<u>18,984</u>
	<u>-</u>	<u>61,541</u>

Debtors includes £Nil (2023 - £11,479) receivable after more than one year.

	2024 £	2023 £
Other debtors	<u>-</u>	<u>11,479</u>

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

17 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	-	31,178

18 Creditors: amounts falling due within one year

	2024 £	2023 £
Bank loans	-	10,648
Trade creditors	-	28,529
Other loans	-	4,000
Other taxation and social security	-	16,272
Other creditors	-	22,312
Accruals	-	12,867
	-	94,628

19 Creditors: amounts falling due after one year

	2024 £	2023 £
Bank loans	-	21,740

20 Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £562 (2023 - £7,910). The contribution payable to the fund at the balance sheet date was £Nil (2023 - £3,402).

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

21 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transferred to the CIO £	Balance at 31 March 2024 £
Unrestricted funds					
General	2,891,659	75,162	(74,035)	(2,892,786)	-
Restricted funds					
Religious fund	14,903	5,415	(1,461)	(18,857)	-
Outreach fund	1,992	-	(154)	(1,838)	-
Time for change	3,265	1,585	(4,850)	-	-
Restricted funds	20,160	7,000	(6,465)	(20,695)	-
Total funds	2,911,819	82,162	(80,500)	(2,913,481)	-
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General	2,880,840	834,816	(872,701)	48,704	2,891,659
Restricted funds					
Building fund	-	120,000	(71,296)	(48,704)	-
Religious fund	16,826	2,679	(4,602)	-	14,903
Hawza fees	-	9,382	(9,382)	-	-
Outreach fund	2,558	13,656	(14,222)	-	1,992
Time for change	195	10,686	(7,616)	-	3,265
Restricted funds	19,579	156,403	(107,118)	(48,704)	20,160
Total funds	2,900,419	991,219	(979,819)	-	2,911,819

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

The specific purposes for which the funds are to be applied are as follows:

Building fund - for the full development of the Selly Oak campus and student accommodation and meeting its deferred payment obligations

Scholarship fund - for the funding of students on specific programmes

Community fund - for community activities and programs

Religious fund - giving of alms in accordance with religious guidelines

Department of mysticism and spirituality - reserved for funding activities on mysticism and spirituality

Hawza fees - for the purpose of specific educational courses

Outreach fund - to encourage to donate to those who were less fortunate and globally to support funding for deserving projects in line with the charity's ethos and philosophy

Time for change - to hold events to celebrate the birth anniversaries of the holy personalities born in the Islamic months of Rajab and Shaban

During the year there were transfers in the sum of £Nil (2023 - £48,704) from the restricted building fund to unrestricted funds. This was to reflect that these funds had been fully spent on their restricted purpose in the payment or the development of the Selly Oak campus and student accommodation.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	-	-	-
Current assets	-	-	-
Current liabilities	-	-	-
Creditors over 1 year	-	-	-
	<hr/>	<hr/>	<hr/>
Total net assets	-	-	-
	<hr/>	<hr/>	<hr/>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	2,935,468	-	2,935,468
Current assets	72,559	20,160	92,719
Current liabilities	(94,628)	-	(94,628)
Creditors over 1 year	(21,740)	-	(21,740)
	<hr/>	<hr/>	<hr/>
Total net assets	2,891,659	20,160	2,911,819
	<hr/>	<hr/>	<hr/>

23 Analysis of net funds

	At 1 April 2023 £	Cash flow £	At 31 March 2024 £
Cash at bank and in hand	31,178	(31,178)	-
	<hr/>	<hr/>	<hr/>
Net cash	31,178	(31,178)	-
	<hr/>	<hr/>	<hr/>
	At 1 April 2022 £	Cash flow £	At 31 March 2023 £
Cash at bank and in hand	94,067	(62,889)	31,178
	<hr/>	<hr/>	<hr/>
Net cash	94,067	(62,889)	31,178
	<hr/>	<hr/>	<hr/>

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

24 Related party transactions

Transactions with trustees relating to remuneration and expenses have been highlighted in note 12. In addition, during the year the charity made the following related party transactions:

Director of the Institute

(Trustee)

During the period, the Director of the Institute and his various family members have given donations to the charity in the way of Gift Aid. Total donations amounted to £798 (2023 - £3,739).

Also during the period the Director was in receipt of an interest free loan used to acquire a vehicle. The loan is repayable by January 2026 and was transferred to the CIO. At the balance sheet date the amount due to/from from Director of the Institute was £Nil (2023 - £16,279).

Managing Director

(Trustee during part of the year. Nephew of a trustee and key management personnel)

The Managing Director received remuneration as employee of the charity totalling £2,917 (2023 - £41,700) during the period. At the balance sheet date the amount due to/from Managing Director was £Nil (2023 - £Nil).

Ms M Hussain

(Daughter of a trustee)

Ms M Hussain works as a faculty member at the Institute teaching theology, legal theory, and jurisprudence to first and second year students and manages the Institute's research activities. She received remuneration of £1,126 (2023 - £13,692) as a salary for her role during the period. At the balance sheet date the amount due to/from Ms M Hussain was £Nil (2023 - £Nil).

Donations from related entities

During the period the charity received donations of £Nil (2023 - £18,218) from an overseas charity where one of the trustees is also a trustee. In addition the charity also received donations amounting to £Nil (2023 - £85,000) from a company where one of the trustees is also a director. At the balance sheet date the amount due to/from related entities was £Nil (2023 - £Nil).

25 Non-adjusting events after the financial period

Subsequent to the year-end, in April 2024, the charity incorporated a new subsidiary company, AMI Spaces Ltd. This was held in trust under the name of Mr. Hashim Bata.

Al-Mahdi Institute

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

26 Charity merger

Transfer to Charitable Incorporated Organisation

On 26 April 2023, the unincorporated charity completed the transfer of its assets, funds and activities to the newly established Charitable Incorporated Organisation (CIO) with registration number 1191746. The names and descriptions of the entities remained the same following the transfer.

In accordance with Section 27 of the Charities Statement of Recommended Practice (SORP) (FRS 102), merger accounting has been applied to reflect the results of the combined entities during the reporting period in the CIO entity. The application of merger accounting was required as the charity met the relevant criteria outlined in the SORP.

There were no significant adjustments necessary to align accounting policies or to adjust net assets as a result of the merger.

A breakdown of the assets and funds transferred is provided below.

Net assets transferred to CIO

	Total 2024 £
Tangible fixed assets	2,928,422
Current assets	118,690
Current liabilities	(112,778)
Creditors over 1 year	(20,853)
Total net assets	<u>2,913,481</u>

Analysis of net assets at the date of merger

	Total 2024 £
Net assets	<u>2,913,481</u>
Represented by:	
Unrestricted funds	2,892,786
Restricted funds	20,695
Total funds	<u>2,913,481</u>