

The Muath Trust

Trustees' report and financial statements

For the Year Ended 31 December 2021

The Muath Trust
(A company limited by guarantee)

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The Muath Trust
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers
For the Year Ended 31 December 2021

Trustees	Dr Dawood Abdul Malek Yaha Al-Hidabi Mr Jaffer Mansour Mohammed Al-Shamery Mr Nageeb Mohammed Ali Dr Ali Abdul Rahman Qirbee Mr Kassim Mohamed Salem Ahmed Mr Adnan Abdul Rahman Saif Mrs Faten Abdul Galil Yafai
Company registered number	04805117
Charity registered number	1100481
Registered office	The Bordesley Centre Stratford Road Camp Hill Birmingham B11 1AR
Company secretary	Mrs Faten Abdul Galil Yafai
Chief executive officer	Dr Abdel Karim Bensiali (resigned 1 June 2022)
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	National Westminster Bank Plc 30a Harborne Road Birmingham B15 3AA Al Rayan Bank 24a Calthorpe Road Birmingham B15 1RP

The Muath Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 December 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2021 to 31 December 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The objects and principal activities of the charity are:

- To advance the education of the public in particular but not exclusively through the provision of educational and training services for all members of the community, particularly but not limited to those of Yemeni origin;
- To enable those who were not born in the United Kingdom or whose parents were not born in the United Kingdom to take a fuller part in British society;
- To relieve poverty by the provision of advice and financial and other assistance to those in need, hardship or distress;
- To provide facilities in the interests of social welfare for the recreation and other leisure time pursuits of those in need of those facilities by reason of their age, youth, infirmity or disablement, poverty or social or economic circumstances;
- To do other charitable purposes for the benefit of the community, particularly but not limited to those of Yemeni origin, as the board of directors determine from time to time.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Muath Trust was established in 1990 which was incorporated 19 June 2003 and is one of the largest community led third sector initiatives in the United Kingdom. Founded by members of the Yemeni community, the charity plays a pivotal role in helping the community integrate within wider society by helping to build its capacity and encouraging its members to play a more effective role in society. Since its inception, the charity has strived to offer high quality education and training and provided essential services that cater to the needs of different sections of the community.

The charity is committed to deliver its programmes by entering into strategic partnerships with key stakeholders and other specialist institutions. Over the years, the Trust has entered into long standing relationships with a number of local and national, public and private sector institutions to further its objects.

c. Activities undertaken to achieve objectives

The charity delivers a very wide range of activities, serving very young children from two years old to the elderly, the youth, adult education, volunteers and women and providing excellent facilities for conferencing and banqueting. The Trust's structure now consists of seven key departments delivering the range of activities: Support Services, Employment and Opportunities, Education & Training, Assets & Facilities, Care and Services, Faith & Cultural Services and Community Welfare & Engagement.

Objectives and activities (continued)

d. Grant-making policies

The charity makes grants to project delivery partners as instructed by the grant funding provider and in accordance with supplementary delivery partner agreements.

e. Main activities undertaken to further the Charity's purposes for the public benefit

1. Education & Training Department:
 - a. Amanah Arabic School- Supplementary education
 - b. Muath Academy for Adult Education
 - c. Traineeship & Apprenticeship
 - d. Vocational & Functional Skills
 - e. Tuition (to be established)
2. Employment & Opportunities Department:
 - a. ESF programmes
 - b. Internship
3. Community Care Services Department:
 - a. Nursery
 - b. Trust Quality Care Ltd: Rest home care and Domiciliary Care Services
4. Assets, Conference & Banqueting Department
 - a. Conferences, banqueting Halls, sports facilities
 - b. Accommodation, Business Units
5. Faith and Cultural Services
 - a. Amanah Masjid, Faith services, Community Education and Culture research
6. Community Engagement Department:
 - a. Amanah Youth Services, Community Sports facilities
 - b. Elderly services, Volunteers

Achievements and performance

a. Main achievements of the Charity

The Trust, like many other organisations, strived during the Covid-19 pandemic to continue providing as many services as it could particularly for the care for the elderly in the care home and domiciliary care.

Education and training were delivered remotely online and the Trust endeavoured so that education continues to be provided and many activities and services were gradually resumed.

The Trust continued to work closely with many partners such as faith leaders, Birmingham City Council, Department of Public Health, West Midlands Police and other partners to support the services to the community.

This year the Ramadhan fasting month and many other activities returned to normal and the community enjoyed and participated in good welfare activities. This year has been like no other that the world has seen, the effects of the Covid-19 pandemic have been far reaching and have changed everything that we had taken for granted in the past. Every aspect of life has become secondary with the primary focus becoming the fight against the spread of the virus. The Muath Trust has had to rethink and reassess its strategy constantly throughout the year due to the devastating effects of the pandemic on its services. A number of activities and services have had to be suspended depending on the guidance provided by the Government throughout the year.

The Trust gradually recovered its delivery of many of its activities whilst reviewing its system of working and undertaking a review of its policies, procedures and preparing for its strategy.

The re-structuring was an important part of that review, recruiting and replacing some staff and gradually introducing a new culture of work centered around planning, accountability, transparency and performance. Instating a new structure meant clarity of purpose, better reporting, accountability and productivity.

Partnerships were enhanced with closer cooperation and consultation with Birmingham Voluntary Service Council (BVSC), Hall Green Neighbourhood Network Scheme (NNS) for support for some of the organisation development scheme.

The Muath Trust refocused its vocation ensuring to give a new breath of life to the eclipsing education and training sector. It endeavoured to re-form the Education & Training and established a new Department to revamp this vital sector.

The Trust has continued to deliver two contracts for the Department of Works & Pensions supported by the European Social Fund titled AEGIS and Stepping Up as lead organisation. The Department of Employment and Opportunities has been reviewed and new management took over to address the challenges posed particularly by the AEGIS project. The two projects have been particularly important for both the Trust and the people it serves as there has been great need for this especially during this time.

In September 2020, the Muath Trust purchased an investment property, The Rose Tavern, which was previously operating as a Public House. The property is in an ideal location next the Amanah Masjid.

The Department for Care and Services comprises of the Nursery and Trust Quality Care (TQC). TQC assures the management of Rosemary Lodge Rest Home, an existing care home for the elderly. The Care Home services complement the existing home support service (Domiciliary Care) and despite the challenges of the Covid-19 pandemic, both services have managed well through proactive management and giving priority to health and well-being of the service users whilst adhering to rigorous prevention measures and endeavoring to increase the numbers of hours of care as well as the number of clients.

We expect the restructuring and new Department will enhance the management and improve the revenues from TQC and the Nursery.

Achievements and performance (continued)

b. Review of activities

Education and Training:

With the review of and the preparation of the new structure, more emphasis was given to Education and Training and efforts were put in re-invigorating this sector and the establishment of a proper Department of Education and Training (DET). The DET exemplifies that the Muath Trust is indeed engaged in delivering a range of education at various levels and vocational training courses for adults and traineeships. The Trust started to explore new areas of E&T, whilst continuing its focus on the following areas:

- Covid-19: the department continued delivering courses adopting a hybrid approach, with learners attending the Centre for face to face sessions and others benefiting from online courses. Despite some delays, a number of learners were deploying efforts to catch up with their courses and working to complete their coursework and attaining their certificates.
- Education & Skills Funding Agency Contract: the ESFA contract was concluded in March 2020 and could not be renewed nor extended.
- New Department of Education and Training (DET):
The Trust has in 2021 focused on trying to deliver training courses only for European Social Fund (ESF) projects, and whose numbers struggled coming out of the Covid-19 pandemic. The Trust needed to amend this situation by setting up a new DET to ensure the adequacy of equation between availability of training staff, courses and numbers of trainees (ESF and others).

Summary of courses delivered until December 2021 in generic Education & Training:

- Level 3 Diploma in Children's Learning & Development (EYE)
- Level 2 Diploma for Early Years Practitioners (EYP)
- Level 2 Diploma in Care
- Level 2 Certificate in Business Administration
- Supplementary Schools (AAS):
There are three Amanah Arabic supplementary schools (AAS) at the Trust: primary, secondary and weekend. These continue to provide an important programme of learning for children of the local community to learn more about their culture and mother tongue, Arabic language. During the 2021/2022 Academic year the Schools had in total 443 students enrolled who were divided into 41 classes. We have in total 25 teachers and 4 Admin employed by the School. The numbers are slowly creeping up to almost 500, recovering from the drop during the Covid-19 pandemic.
The school has enabled children, over the years, to maintain their links with their culture and their language and has given the children the confidence about their identity and they have gone to integrate within the society they live in and become self-assured and effective citizens in their communities.

Key achievements this year:

- Schools resumed teaching online and gradually from March 2021 face-to-face. The feedback received is positive overall as teachers have worked hard in ensuring continuity in teaching with necessary monitoring and supervision from the School Administration.
- GCSE: number of students sitting the exams jumped from 25 to 40. Out of the total of 40 students, all (100%) candidates achieved grades between 9 - 7 which are equivalent to A** - A*-A.
- Teacher Training: training on DSL safeguarding, curriculum and classroom management was attended by all staff and teachers,

Achievements and performance (continued)

- Arabic & Tajweed courses for Adults Also named as Muath Academy: the courses had stopped since March 2020, but re-started in early 2021 and the uptake is promising especially for the Conversational Arabic course. Although courses in Tajweed and Arabic have started with reduced numbers due to the class capacity, there is an active review of how to redress that through more publicity, monitoring and assessment of performance.
- Tuition courses:
DET has been preparing for provide tuition for students of GCSE and A' Level. This has been considered to be launched in the September 2022 academic year.

Employment and Opportunities Department:

It is important to note that the Trust endeavours to deliver a range of services for the economic and social welfare of the communities. It provides advice and services for those seeking employment as well as guidance for those in employment and seeking enhancement of their working opportunities.

The European Social Fund (ESF) contract through the Department of Works & Pensions (DWP) is just one programme amongst others that the Trust departments deliver.

The ESF as part of the East Birmingham Collective European funded projects are being delivered through the Department of Works & Pensions. The following is the progress:

i AEGIS: Enhancing Equal Access to Lifelong Learning. This is led by the Muath Trust and the project started delivery with partners from July 2018, the contract ran until September 2021. Few meetings of the Consortium members with the Project Management Team (PMT) identified some challenges regarding the performance and the need for more time to deliver and hence a Project Change Request (PCR) to seek an extension from DWP was prepared in July 2021 and was approved in November 2021 for a 15 months extension until December 2022. In 2021, a number of courses were scheduled and delivered as part of the programme:

Courses delivered through Aegis until December 2021:

There were about twenty courses scheduled and available:

Awareness of Dementia, Mental Health Awareness, Equality & Diversity, Introduction to Impact of Acquired Brain Injury, Children Safeguarding, Adult Safeguarding, Intro to Physical Disability, The Causes & Spread of Infection, Autistic Spectrum Condition Awareness, Recognising & Managing Stroke Symptoms, Principles of Customer Service, Childcare, Basic Life Support Training, Medication Awareness, Diabetes Awareness, End of Life Care Awareness, Early Years Health & Safety, Principles of Fire Safety Awareness, Principles of Health & Safety in the Workplace, Risk Assessment.

ii Stepping Up: Active Inclusion under Priority Axis 1: Inclusive Labour Markets. This is led by the Muath Trust and the project started delivery from October 2018, the contract was due to run until September 2020. The Project Change Request (PCR) was approved and the project was extended to March 2021 and another extension was secured in June 2021 and approved with a lifespan to run until 31 May 2023.

The following are the four courses delivered through Stepping Up until December 2021:

ESOL, Non-accredited Employability Skills, Non-accredited CV Writing Surgery and Non-accredited Job-Hunting Skills

Day Nursery & Children Activities:

The Amanah Day Nursery provides a holistic nurturing caring environment and delivers a moral and spiritual education guided by Islamic ethos. It is open to all sections of the local community and has the capacity to enroll around 54 children aged 2 to 4 years old each year. The nursery is well-resourced and the children have access to an enclosed outdoor play area. It employs dedicated qualified staff who are trained in safeguarding, first aid, child protection. The Nursery follows the Early Years Foundation Stage which ensures a broad balanced education for the children. The Nursery received a judgement of 'Good' in all areas at the last Ofsted inspection in 2016.

Trustees' Report (continued)
For the Year Ended 31 December 2021

Achievements and performance (continued)

- We have continued focus on parent partnership and involving the parents in children's learning, through Newsletters, daily communication and regular emails. After Covid restrictions were lifted, parents can now have access to the nursery to view its facilities, have regular meetings with staff especially parents of children with special needs and those who need support and guidance.
- Regular safety measures are still in place to maintain the safety of the children and staff. This is done through risk assessments and following government guidelines.

Trust Quality Care Ltd

The Trust established a new wholly owned subsidiary company under the name of Trust Quality Care Ltd for the purpose of delivering Home Care Services. This involves providing personal and health care and assistance to the elderly and adults in their own homes. The Company was approved by Care Quality Commission, the regulating authority in the UK, as a registered provider of personal care in February 2016. It was also approved by Birmingham City Council as an authorised home care provider in July 2016 to take on clients registered with social services. The Company also provides services to private clients who register directly.

Key achievements this year including:

- Services have continued to work during the pandemic and there have been challenges with staff absence and self-isolation and lack of Personal Protective Equipment. Despite this we continued to deliver the Care at a good level and both staff and clients have been safe from infection. Currently the Company has 39 staff providing domiciliary care (carers) and 3 office staff.
- We currently have 37 clients under our care which equates to about 800 hours per week.

Rosemary Lodge Rest Home:

Rosemary Lodge Rest Home has been run by Trust Quality Care since its acquisition by a London based charity in February 2020. The Rest Home, an existing 29-bed residential care home is located in Kings Heath, Birmingham. The Company received CQC approval in February 2020 and registration with Birmingham City Council was completed in March 2020. All staff and operations have been transferred from the previous company to TQC smoothly.

Community Welfare and Engagement Department:

This is a new department which is caring for various sections of the communities, and those needing welfare and support to enjoin wellbeing and living well. This department provides support and facilities to:

Elderly Services

The Trust has given special attention to this need in the community by offering secure supported housing within the Bordesley Centre as well as providing dedicated services and programmes to address this need. Key achievements this year including:

- We have continued delivering the contract awarded by Birmingham City Council, it has also helped much needed support to the isolated and vulnerable elderly. The regular weekly programmes and the lunch club are held on Wednesdays.
- Sparkbrook Ageing Better project: The programme was completed in March 2021.
- The elderly support programme continued with the support from Birmingham City Council (BCC) delivering food parcels, hot meals, befriending service to those isolated and advice and guidance.
- Hall Green Neighbourhood Network Schemes (NNS): provided support from March 2021 to March 2022 for a project of Digital Inclusion, enabling the house bound and vulnerable elders to stay connected by providing them with iPad, mobile phones, laptops or desktops and internet facilities.

Achievements and performance (continued)

Youth and Sports

The Centre continued to make use of its own resources such as the Youth Club and Sports facilities and other activities to offer young people an opportunity to participate in a variety of activities and programmes. Key achievements this year included

- Regular Youth Club was held on Fridays and Saturdays restarted January 2021
- Youth organized a number of events during school mid-term holidays, and summer vacation enabling the youth to benefit from the facilities the Trust is offering.
- The youth (boys and girls) started organizing fund raising events and supporting some of their activities whilst the Trust supported with some grants.

The Trust continued to support the Amanah Football Club (AFC) and providing facilities for their meetings, training and functions. There are 5 teams: under 10s, under 12s, under 15s and under 16s and the senior team (adult) with a total of over 140 players. There are about 20 volunteers caring the youth and the organisation of their activities. The AFC younger teams (U12 & U15) are in the Central Warwickshire league and the others are engaged in friendlies. There are monthly swimming sessions for parents and participant players.

Information, Advice and Guidance (IAG):

This is a service provided to the community and assistance given to citizens needing these services,

Volunteering:

This was very valuable during the Covid and then efforts started waning early 2021. This will be one recommendation for 2022 objectives to double efforts in organizing this valuable sector so we can engage better and more with the community and also involve the youth in more self-development and contributions.

Other areas

Will be developed to enable better engagement of the Trust with the communities, authorities and partners.

Faith & Cultural Services Department:

Amanah Masjid (Mosque)

The Amanah Masjid is now regarded as one of the prominent mosques in Birmingham and caters for a large congregation of worshipers totaling daily 500 or more, both men and women, and the Friday congregation of about 2,000 worshipers. In addition to providing prayers facilities, the Masjid delivers a variety of educational programmes and community services for adults and the youth. The regular programmes and the Tahfeeth (Quran memorization) schools for boys and girls delivered by the Masjid are highly sought after.

- The Amanah Masjid was involved, with other Birmingham Masjids, and in coordination with the Department of Public Health of BCC, on raising awareness, informing and guiding the community to keep observing the authority's guidance on hygiene and safety during and after the pandemic. As the lockdown restrictions were easing, the activities were gradually coming back to normality with big events being celebrated such as Ramadhan and Eid.
- The Masjid Committee continues to meet regularly, overseeing risk assessment and the planning of events and ensuring safety arrangements are in place and putting the various measures in line with Government Guidance for Places of Worship.

Achievements and performance (continued)

Amanah Tahfeedh School:

- The numbers continued to improve in 2021 and the current academic year the school registered a total of 289 pupils (188 boys and 108 girls during the week) and 102 girls only on Sunday. The total being 391 pupils, distributed as 13 classrooms for boys during the weekend and 4 during the week, ie a total of 17 classrooms. There are 9 weekend classrooms for girls and 3 weekdays (12) and a total of 10 weekend classrooms. Total of 22 classrooms for girls every week.

Conferencing & Banqueting Department:

The Muath Banqueting and Conference Centre offer facilities which cater for various types of events. With our Grade II listed, 18th Century building we are a unique wedding and conference venue.

- The Centre offers quality facilities for functions, weddings, conferences and an array of other activities and programmes which are well used by local organisations and the community.
- It provides a limited number of accommodation bedsits for those, mainly elderly, wishing to live on site and benefit from some of the services and support the Trust offers such as for the over 50s,
- All bookings were again suspended from January 2021 due to the lockdown.
- Sports Hall: bookings have also resumed.

Support Services Department:

This consists of various units that provide services to the operations department, namely HR, Finance, IT, Media & Marketing and Assets and Building

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees have considered the level of financial reserves required to enable the charity to meet its obligations on an ongoing basis. The Trustees consider that they should aim to hold as unrestricted funds a level of reserves equivalent to two months outgoing resources plus an estimate of the current liability for redundancy pay on existing staff.

Given the number of projects and their diverse sources of funding, the Trustees consider that this level of reserves would enable the company to arrange an orderly reduction in activities in the event of a major loss of funding. The long term strategy is to build reserves through operating surpluses and donations. The management of the charity and the Trustees are aware of the need to react immediately to any shortfall in funding.

c. Material investments policy

Under the Memorandum and Articles of Association, as amended by a special resolution dated 25 November 2014, the charity has the power to make any investment which the Trustees see fit.

The Muath Trust
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Trustees' Report (continued)
For the Year Ended 31 December 2021

Structure, governance and management

a. Constitution

The charity and the group is registered as a charitable company limited by guarantee and was incorporated on 19 June 2013 which is governed by its Memorandum and Articles of Association, as amended by a special resolution on 25 November 2014 with a Companies House registration number of 04805117. The wholly owned subsidiaries being Muath Trading Limited and Trust Quality Care were each incorporated on 17 September 2014 and 15 April 2015 respectively and they are also governed by their Memorandum and Articles of Association per each of their dates of incorporation. The company has a registered office address of The Bordesley Centre, Stratford Road, Birmingham, B11 1AR.

The charity and the group is governed and constituted under a Memorandum and Articles of Association, as amended by a special resolution on 25 November 2014 dated 19 June 2003 and is a registered charity number 1100481.

b. Methods of appointment or election of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Board of Trustees, which comprises up to 15 members (presently 07), administer the company. The board meets at least once a year to evaluate the work, set objectives and agree on future strategy. In addition, there are a number of sub-committees including a Management Committee that meets more frequently to manage the charity and it reports back to the board of Trustees. The Management Committee includes a number of trustees, a legal advisor, as well as experienced members of the communities served by the charity. A Chief Executive Officer is appointed by the trustees to manage the implementation of strategy, policies and day-to-day operations. The new departmental structure includes 7 Senior managers who implement the day-to-day activities of the Trust.

d. Policies adopted for the induction and training of Trustees

New Trustees undergo an orientation day to brief them on their responsibilities and legal obligations under the law and policies contained in the following: Charity and Company Law, the content of the Memorandum and Articles of Association, the Committee and decision making processes, the business plan and recent financial performance of the charity.

During the induction day new trustees meet key employees and other Trustees. In addition, they are encouraged to attend appropriate external training events to facilitate their understanding of their role in the Trust.

e. Related party relationships

During the year the charity has two wholly owned subsidiaries being Muath Trading Ltd and Trust Quality Care Ltd. The transactions of these subsidiaries are included within the consolidated financial statements.

Structure, governance and management (continued)

f. Financial risk management

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

The Trustees are satisfied that the appropriate systems are in place to manage the risks that have been identified. Comprehensive insurance cover is in place and DBS checks are carried out for all staff and particularly all staff that work with children and vulnerable groups. Also as part of this drive for good practice, regular reviews of policies and procedures are made and HR support and Health and Safety support and services are provided by a professional company.

Plans for future periods

The major challenge in the coming year would be to recover from the impact of the pandemic on the activities and services of the Trust during the last year. A new structure has been introduced, discussed and has been rolled out by end of 2021. This will continue to be implemented and will be the corner stone for the Trust guiding strategy and the short term and medium-term plan of action.

The vision and mission of the Trust will continue to be refined and will be coupled with enhanced policies and procedures, new systems of work, introduction of new financial services and systems, enhanced by clearer management of human resources. The Trust will develop new investment portfolios benefiting from its experience of endowment assets such as the portfolio (Rose Tavern and others) it already acquired and expanding those opportunities with more acquisition and better investment. Discussions have already been started with some philanthropists and development banks and these will be explored further.

The management will continue developing systems for efficient and effective implementation of its plans and gradually introducing new cultures of planning, monitoring, evaluating and reporting and ensuring greater transparency and rigorous accountability.

The Trust has been exploring ways of commissioning bid writers, and will actively explore new funding and investment opportunities to sustain adequate income streams whilst ensuring reduction of any wastage, losses through focused management of the assets and revenues.

The Trust has the TQC subsidiary whose management should be reviewed and revenues monitored so they provide high levels services of care and ensuring handsome revenues. The Assets and facilities of the Trust can make a real profitable source of revenues and will be looked into to enhance the assets and ensure better revenues.

The vocation of the Centre has always been Education and Training, and management will enhance the focus for more provision, with better grants and funding, of education, training and research. The Trust will need to connect with successful academic institutions, partner, cooperate and work together with like-minded and motivated organisations to serve the communities and society. The Trust will be guided by its motto to Inspire-Serve-Promote individuals for the welfare of community and serenity of society.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 25 September 2022 and signed on their behalf by:

Mr Jaffer Mansour Mohammed Al-Shamery
Trustee

Independent auditors' report to the Members of The Muath Trust

Opinion

We have audited the financial statements of The Muath Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the Members of The Muath Trust (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of The Muath Trust (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

The Muath Trust
(A company limited by guarantee)

Independent auditors' report to the Members of The Muath Trust (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor

Chartered Accountants

Birmingham

25 September 2022

The Muath Trust
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	133,609	259,380	392,989	488,482
Charitable activities	4	655,534	954,817	1,610,351	1,716,671
Other trading activities	5	1,271,840	-	1,271,840	1,046,001
Investments	6	13	-	13	71
Total income		2,060,996	1,214,197	3,275,193	3,251,225
Expenditure on:					
Raising funds	7	1,097,851	-	1,097,851	932,148
Charitable activities	8	847,993	1,273,601	2,121,594	1,869,052
Total expenditure		1,945,844	1,273,601	3,219,445	2,801,200
Net income/(expenditure)		115,152	(59,404)	55,748	450,025
Transfers between funds	18	6,071,384	(6,071,384)	-	-
Net movement in funds		6,186,536	(6,130,788)	55,748	450,025
Reconciliation of funds:					
Total funds brought forward	18	2,353,968	6,321,311	8,675,279	8,225,254
Net movement in funds		6,186,536	(6,130,788)	55,748	450,025
Total funds carried forward	18	8,540,504	190,523	8,731,027	8,675,279

The notes on pages 21 to 41 form part of these financial statements.

The Muath Trust
(A company limited by guarantee)
Registered number: 04805117

Consolidated Balance Sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	7,217,831	7,386,835
Investment property	14	642,714	580,714
		7,860,545	7,967,549
Current assets			
Debtors	16	366,238	335,432
Cash at bank and in hand		1,238,178	812,086
		1,604,416	1,147,518
Creditors: amounts falling due within one year	17	(733,934)	(439,788)
Net current assets		870,482	707,730
Total net assets		8,731,027	8,675,279
Charity funds			
Restricted funds	18	190,523	6,321,311
Unrestricted funds	18	8,540,504	2,353,968
Total funds		8,731,027	8,675,279

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25 September 2022 and signed on their behalf by:

Mr Jaffer Mansour Mohammed Al-Shamery
Trustee

The notes on pages 21 to 41 form part of these financial statements.

The Muath Trust
(A company limited by guarantee)
Registered number: 04805117

Charity balance sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	6,847,514	7,007,924
Investments	15	301	200
Investment property	14	183,400	183,400
		7,031,215	7,191,524
Current assets			
Debtors	16	1,528,841	1,191,538
Cash at bank and in hand		860,889	756,642
		2,389,730	1,948,180
Creditors: amounts falling due within one year	17	(612,204)	(377,338)
Net current assets		1,777,526	1,570,842
Total net assets		8,808,741	8,762,366
Charity funds			
Restricted funds	18	190,523	6,321,311
Unrestricted funds	18	8,618,218	2,441,055
Total funds		8,808,741	8,762,366

The Charity's net movement in funds for the year was £46,375 (2020 - £459,499).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25 September 2022 and signed on their behalf by:

Mr Jaffer Mansour Mohammed Al-Shamery
Trustee

The notes on pages 21 to 41 form part of these financial statements.

The Muath Trust
(A company limited by guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	21	493,798	856,334
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,706)	(56,538)
Purchase of investment property		(62,000)	(397,314)
Net cash used in investing activities		(67,706)	(453,852)
Change in cash and cash equivalents in the year		426,092	402,482
Cash and cash equivalents at the beginning of the year		812,086	409,604
Cash and cash equivalents at the end of the year	22	1,238,178	812,086

The notes on pages 21 to 41 form part of these financial statements

1. General information

The Muath Trust is a private charitable company limited by guarantee and registered in England and Wales. Its company and charity registered numbers and registered office address are shown on page 1 of these financial statements. Its principal activities and charitable aims are set out in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Muath Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and all of its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2.3 Going concern

The Group's charitable activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report.

The Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. Thus they have concluded that it is reasonable to continue to prepare the financial statements on a going concern basis.

2. Accounting policies (continued)

2.4 Income

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 income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation 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.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Government grants

Coronavirus support grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods.

Depreciation is provided on the following bases:

Freehold property	- 2% straight-line on buildings
Long-term leasehold property	- 2% straight-line on buildings
Motor vehicles	- 20% reducing balance
Fixtures and fittings	- 20% reducing balance
Office equipment	- 20% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

2.9 Investment property

Investment properties are measured initially at cost and subsequently at fair value at the reporting date, except where that property is rented to another group entity. Depreciation is not provided on investment property measured at fair value.

2. Accounting policies (continued)

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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.

2.13 Liabilities and provisions

Liabilities 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.

Liabilities 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.

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 in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group 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.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Mosque donations	-	125,648	125,648
Other donations in support of the trust	58,517	133,732	192,249
Government grants	75,092	-	75,092
	<u>133,609</u>	<u>259,380</u>	<u>392,989</u>

The Group furloughed certain staff under the governments Coronavirus Job Retention Scheme (CJRS). The funding received of £75,092 (2020: £144,231) relates to claims made in respect of the year.

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Mosque donations	-	54,286	54,286
Other donations in support of the trust	139,965	-	139,965
Capital donations	-	150,000	150,000
Government grants	144,231	-	144,231
	<u>284,196</u>	<u>204,286</u>	<u>488,482</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

3. Income from donations and legacies (continued)

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Education & Training	46,544	-	46,544
Project Grant Funding	108,702	954,817	1,063,519
Nursery Fees & Childrens Centre	13,753	-	13,753
AAS & Tahfeedh	224,713	-	224,713
Conference & Units Hire	146,820	-	146,820
Residential Accommodation	115,002	-	115,002
	<u>655,534</u>	<u>954,817</u>	<u>1,610,351</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Education & Training	59,364	-	59,364
Project Grant Funding	-	1,182,082	1,182,082
Nursery Fees & Childrens Centre	4,449	-	4,449
AAS & Tahfeedh	177,551	-	177,551
Conference & Units Hire	178,975	-	178,975
Residential Accommodation	114,250	-	114,250
	<u>534,589</u>	<u>1,182,082</u>	<u>1,716,671</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Trading subsidiary income	1,271,840	1,271,840	1,046,001

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	13	13	71

7. Expenditure on raising funds

Consolidated trading subsidiary expenditure

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	243,910	243,910	248,521
Trading expenses	845,347	845,347	675,033
Depreciation	8,594	8,594	8,594
	1,097,851	1,097,851	932,148

Notes to the Financial Statements
For the Year Ended 31 December 2021

8. Analysis of expenditure by activities

	Direct costs 2021 £	Grants paid 2021 £	Support costs 2021 £	Total funds 2021 £
Operational Services	1,133,454	570,498	417,642	2,121,594

	Direct costs 2020 £	Grants paid 2020 £	Support costs 2020 £	Total funds 2020 £
Operational Services	1,165,059	374,416	329,577	1,869,052

Notes to the Financial Statements
For the Year Ended 31 December 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	1,036,955	1,069,824
Operational services	96,499	95,235
	<u>1,133,454</u>	<u>1,165,059</u>

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Depreciation	166,117	113,824
Premises expenses	170,597	134,165
Vehicles and travel	4,431	6,353
Insurance	22,614	18,845
Office administration	24,798	32,004
Bank charges	4,424	2,927
Governance	24,661	21,459
	<u>417,642</u>	<u>329,577</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

9. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £
Grants to delivery partners	570,498	570,498

	Grants to Institutions 2020 £	Total funds 2020 £
Grants to delivery partners	374,416	374,416

The Group has made the following material grants to institutions during the year:

	2021 £	2020 £
Name of institution		
Northstar Community and Economic Development Services Ltd	308,076	109,599
Ashiana Community Project	118,192	264,817
Narhex Sparkhill	122,832	-
	549,100	374,416
Other grants to institutions	21,398	-
	570,498	374,416

The grants have been made to partners in delivering two European Social Fund projects in the local community aimed at catalysing skills development and increasing employment prospects.

10. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	11,450	10,925
Fees payable to the Group's auditor in respect of:		
Tax compliance services	1,100	1,055
All non-audit services not included above	985	950

Notes to the Financial Statements
For the Year Ended 31 December 2021

11. Staff costs

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	1,767,603	1,647,349	981,057	1,008,034
Social security costs	87,689	80,612	49,189	49,485
Pension costs	27,010	16,896	6,709	12,305
	1,882,302	1,744,857	1,036,955	1,069,824

The average number of persons employed by the Charity during the year was as follows:

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
Staff	196	171	137	117

No employee received remuneration amounting to more than £60,000 in either year.

The amount of employee benefits received key management personnel for their services to the charity totalled £54,167 (2020 - £50,000).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no expenses were reimbursed to Trustees (2020 - £Nil).

Notes to the Financial Statements
For the Year Ended 31 December 2021

13. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 January 2021	1,660,547	6,976,933	47,338	639,444	156,383	9,480,645
Additions	3,000	-	-	-	2,706	5,706
At 31 December 2021	<u>1,663,547</u>	<u>6,976,933</u>	<u>47,338</u>	<u>639,444</u>	<u>159,089</u>	<u>9,486,351</u>
Depreciation						
At 1 January 2021	317,496	1,043,986	31,198	547,439	153,691	2,093,810
Charge for the year	33,271	118,660	4,004	17,763	1,012	174,710
At 31 December 2021	<u>350,767</u>	<u>1,162,646</u>	<u>35,202</u>	<u>565,202</u>	<u>154,703</u>	<u>2,268,520</u>
Net book value						
At 31 December 2021	<u>1,312,780</u>	<u>5,814,287</u>	<u>12,136</u>	<u>74,242</u>	<u>4,386</u>	<u>7,217,831</u>
At 31 December 2020	<u>1,343,051</u>	<u>5,932,947</u>	<u>16,140</u>	<u>92,005</u>	<u>2,692</u>	<u>7,386,835</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

13. Tangible fixed assets (continued)

Charity

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 January 2021	1,230,859	6,976,933	47,338	639,444	156,383	9,050,957
Additions	3,000	-	-	-	2,706	5,706
At 31 December 2021	1,233,859	6,976,933	47,338	639,444	159,089	9,056,663
Depreciation						
At 1 January 2021	266,719	1,043,986	31,198	547,439	153,691	2,043,033
Charge for the year	24,677	118,660	4,004	17,763	1,012	166,116
At 31 December 2021	291,396	1,162,646	35,202	565,202	154,703	2,209,149
Net book value						
At 31 December 2021	942,463	5,814,287	12,136	74,242	4,386	6,847,514
At 31 December 2020	964,140	5,932,947	16,140	92,005	2,692	7,007,924

As required by National Westminster Bank, there is a legal charge over the long-term leasehold property to provide security in the event of a breach of the banking agreement with this entity.

Notes to the Financial Statements
For the Year Ended 31 December 2021

14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2021	580,714
Additions	62,000
	<hr/>
At 31 December 2021	642,714
	<hr/> <hr/>

Charity

	Freehold investment property £
Valuation	
At 1 January 2021	183,400
	<hr/>
At 31 December 2021	183,400
	<hr/> <hr/>

The investment property was valued by the trustees on an open market for existing use basis.

Under the historical cost accounting rules, the carrying value of the investment property would have been:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Historical cost	669,314	607,314	210,000	210,000
Accumulated depreciation	(48,386)	(35,000)	(39,200)	(35,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	620,928	572,314	170,800	175,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements
For the Year Ended 31 December 2021

15. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost	
At 1 January 2021	301
At 31 December 2021	<u>301</u>

See note 27 for details concerning the subsidiary undertakings.

16. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	139,008	112,114	106,456	53,890
Amounts owed by group undertakings	-	-	1,255,300	940,249
Other debtors	4,156	1,332	407	384
Prepayments and accrued income	57,400	26,998	1,004	2,027
Grants receivable	165,674	194,988	165,674	194,988
	<u>366,238</u>	<u>335,432</u>	<u>1,528,841</u>	<u>1,191,538</u>

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	342,667	123,269	339,228	113,605
Other taxation and social security	25,347	20,240	17,873	16,877
Other creditors	108,475	114,391	104,612	106,001
Accruals and deferred income	257,445	181,888	150,491	140,855
	<u>733,934</u>	<u>439,788</u>	<u>612,204</u>	<u>377,338</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 December 2021 £
Unrestricted funds					
Designated funds					
Reserves	75,000	-	-	-	75,000
Fixed assets	1,730,048	-	-	6,130,497	7,860,545
	<u>1,805,048</u>	<u>-</u>	<u>-</u>	<u>6,130,497</u>	<u>7,935,545</u>
General funds					
General Funds	548,920	2,060,996	(1,945,844)	(59,113)	604,959
	<u>548,920</u>	<u>2,060,996</u>	<u>(1,945,844)</u>	<u>(59,113)</u>	<u>604,959</u>
Total Unrestricted funds	<u>2,353,968</u>	<u>2,060,996</u>	<u>(1,945,844)</u>	<u>6,071,384</u>	<u>8,540,504</u>
Restricted funds					
Fixed assets	6,237,501	-	(166,117)	(6,071,384)	-
Community projects	-	954,817	(954,817)	-	-
Mosque fund	83,810	125,648	(18,935)	-	190,523
International donations	-	133,732	(133,732)	-	-
	<u>6,321,311</u>	<u>1,214,197</u>	<u>(1,273,601)</u>	<u>(6,071,384)</u>	<u>190,523</u>
Total of funds	<u>8,675,279</u>	<u>3,275,193</u>	<u>(3,219,445)</u>	<u>-</u>	<u>8,731,027</u>

Designated funds comprise reserves set aside by the charitable company only for use with prior approval from the Board, and unrestricted amounts tied up in fixed assets.

Restricted funds comprise fixed asset financing, community project grant funding (for example: European Social Funding), mosque donations and contributions from international regions for specific projects as stipulated by the donors. Such funds are therefore unavailable for general use in running the Bordesley Centre.

The restricted fixed asset fund has been transferred into unrestricted funds given that the terms of the original capital funding have been met and there are no fixed assets held for restricted purposes.

Notes to the Financial Statements
For the Year Ended 31 December 2021

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 December 2020 £
Unrestricted funds					
Designated funds					
Reserves	75,000	-	-	-	75,000
Fixed assets	1,439,214	-	(4,424)	295,258	1,730,048
	<u>1,514,214</u>	<u>-</u>	<u>(4,424)</u>	<u>295,258</u>	<u>1,805,048</u>
General funds					
General Funds	<u>419,163</u>	<u>1,720,626</u>	<u>(1,295,611)</u>	<u>(295,258)</u>	<u>548,920</u>
Total Unrestricted funds	<u>1,933,377</u>	<u>1,720,626</u>	<u>(1,300,035)</u>	<u>-</u>	<u>2,353,968</u>
Restricted funds					
Fixed assets	6,196,901	150,000	(109,400)	-	6,237,501
Community projects	-	1,182,082	(1,182,082)	-	-
Mosque fund	94,976	54,286	(65,452)	-	83,810
International donations	-	144,231	(144,231)	-	-
	<u>6,291,877</u>	<u>1,530,599</u>	<u>(1,501,165)</u>	<u>-</u>	<u>6,321,311</u>
Total of funds	<u>8,225,254</u>	<u>3,251,225</u>	<u>(2,801,200)</u>	<u>-</u>	<u>8,675,279</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 December 2021 £
Designated funds	1,805,048	-	-	6,130,497	7,935,545
General funds	548,920	2,060,996	(1,945,844)	(59,113)	604,959
Restricted funds	6,321,311	1,214,197	(1,273,601)	(6,071,384)	190,523
	<u>8,675,279</u>	<u>3,275,193</u>	<u>(3,219,445)</u>	<u>-</u>	<u>8,731,027</u>

Summary of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 December 2020 £
Designated funds	1,514,214	-	(4,424)	295,258	1,805,048
General funds	419,163	1,720,626	(1,295,611)	(295,258)	548,920
Restricted funds	6,291,877	1,530,599	(1,501,165)	-	6,321,311
	<u>8,225,254</u>	<u>3,251,225</u>	<u>(2,801,200)</u>	<u>-</u>	<u>8,675,279</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	7,217,831	-	7,217,831
Investment property	642,714	-	642,714
Current assets	1,413,893	190,523	1,604,416
Creditors due within one year	(733,934)	-	(733,934)
Total	<u>8,540,504</u>	<u>190,523</u>	<u>8,731,027</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,730,048	5,656,787	7,386,835
Investment property	-	580,714	580,714
Current assets	1,063,708	83,810	1,147,518
Creditors due within one year	(439,788)	-	(439,788)
Total	2,353,968	6,321,311	8,675,279

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	55,748	450,025
Adjustments for:		
Depreciation charges	174,710	122,418
Decrease/(increase) in debtors	(30,806)	59,781
Increase in creditors	294,146	224,110
Net cash provided by operating activities	493,798	856,334

22. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand and at bank	1,238,178	812,086

The Muath Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2021

23. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	812,086	426,092	1,238,178

24. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £27,010 (2020 - £16,895). Contributions totalling £5,235 (2020 - £6,001) were payable to the fund at the balance sheet date and are included in other creditors.

25. Related party transactions

The charitable company had a net loan account balance of £1,255,300 (2020 - £940,249) due from group entities at the balance sheet date as detailed below:

	2021 £	2020 £
Muath Trading Ltd	942,474	872,023
Trust Quality Care Limited	312,826	68,226
	1,255,300	940,249

Movements in the loan accounts did not impact upon income or expenditure in the year aside from a £30,850 (2020 - £30,850) management charge from the charitable parent to Trust Quality Care Ltd.

26. Controlling party

There is no one ultimate controlling party of the Group.

Notes to the Financial Statements
For the Year Ended 31 December 2021

27. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Principal activity	Class of shares	Holding
Trust Quality Care Ltd	09543547	Provision of care services	Ordinary	100%
Muath Trading Ltd	09223310	Property rental	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income 2021 £	Expenditure 2021 £	Net assets / (liabilities) 31 December 2021 £
Trust Quality Care Ltd	1,250,679	(1,112,913)	13,257
Muath Trading Ltd	21,161	(11,788)	(90,670)

The subsidiaries have the same registered office address as the parent Charity and both are included in this consolidation.