

Registered number: 04805117
Charity number: 1100481

The Muath Trust

Trustees' report and financial statements

For the year ended 31 December 2022



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 2022

Trustees	Mr Adnan Abdul Rahman Saif, Chair Dr Dawood Abdul Malek Yaha Al-Hidabi Mr Jaffer Mansour Mohammed Al-Shamery Mr Nageeb Mohammed Ali Dr Ali Abdul Rahman Qirbee (resigned 11 May 2023) Mr Kassim Mohamed Salem Ahmed 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 June 2022) Mr Salem Ahmed (Acting CEO from July 2022) Mr Rawaad Mahyub (CEO from June 2023)
Independent auditors	Dains Audit Limited 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
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Trustees' report
For the year ended 31 December 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2022 to 31 December 2022. 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 and then incorporated 19 June 2003. It 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 enhance 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.

Conscious of the growth of the Trust and the variety of services it seeks to provide to achieve its objectives, management found it necessary to review its operations, its ways of working and its performance and proposed a new structure that will help transparency, accountability and capacity, leading to enhanced quality of services.

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Trustees' report (continued)
For the year ended 31 December 2022

Objectives and activities (continued)

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 a range of activities: Support Services, Employment Opportunities, Education & Training, Conference and Meeting facilities, Care Services, Faith & Cultural Services and Community Welfare & Engagement.

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

2. Employment & Opportunities Department

- a. European Social Fund (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

During the pandemic, the Trust persisted to provide elderly care services, facilitated remote education and training, and collaborated with several partners to support community services. They gradually restored many activities and services. Despite the Covid-19 impacts, the Trust adapted to continue its activities based on government guidance.

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 provided to the community.

The Trust recovered many activities while enhancing its working system and staffing structure, promoting planning, accountability, transparency, and performance. They strengthened partnerships and refocused on education and training, creating a new department for this purpose. The Trust also purchased an investment property and managed to keep care services for the elderly operational despite post pandemic challenges.

b. Review of activities

1. Education and Training:

Courses such as customer service, food hygiene, childcare, and functional skills were provided to approximately 300 learners using both online and face-to-face methods. The Trust also focuses on cultural education, successfully maintaining Arabic supplementary schools. In terms of adult education, promising uptake was seen in shorter courses. We also plan on providing GCSE tuition.

2. Employment and Opportunities Department:

The Trust continues to provide a range of services to support the economic and social welfare of the communities. This includes advising those seeking employment and aiding those seeking career enhancement. Over 300 clients enrolled in the AEGIS programme, while 160 clients joined the Stepping Up Programme.

3. Community Care Services Department:

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 enrol around 57 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 '**Outstanding**' in all areas at the last Ofsted inspection in October 2022.

- We have continued to focus on parent partnership and involving the parents in children's learning, through newsletters, daily communication and regular emails. Parents 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.

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Trustees' report (continued)
For the year ended 31 December 2022

Achievements and performance (continued)

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 (CQC), 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.

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. The CQC inspection found that there was good practice all round.

4. Assets, Conference & 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, meetings, 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.

5. Faith and Cultural Services

Amanah Masjid (Mosque):

The Amanah Masjid in Birmingham has become prominent, catering to a large congregation of worshippers on a daily basis. In addition to prayer facilities, the Masjid offers various non-formal educational programmes and community services for adults and youth. Notable achievements and contributions include:

- Raising awareness and providing guidance on hygiene and safety during and after the pandemic in coordination with other Birmingham Masjids and the Department of Public Health of BCC.
- Gradually resuming activities as lockdown restrictions eased, celebrating events like Ramadhan and Eid.
- Ongoing regular meetings of the Masjid Committee to oversee risk assessment and event planning.
- Ensuring compliance with Government Guidance for Places of Worship.

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Trustees' report (continued)
For the year ended 31 December 2022

Achievements and performance (continued)

6. Community Engagement Department:

Youth and Sports:

The Centre has made use of its own resources, including the Youth Club and Sports facilities, to provide young people with opportunities to participate in various activities and programmes. Notable achievements this year include:

- Regular Youth Club sessions on Fridays and Saturdays and some Sundays.
- Enabling the youth to benefit from Trust facilities by organising events during school mid-term holidays and summer vacations.
- Encouraging the youth, both boys and girls, to organise fundraising events and support their activities, with additional support from the Trust through grants.

The Trust has also continued to support the Amanah Football Club (AFC) by providing facilities for their meetings, training, and functions.

Information, Advice and Guidance (IAG):

The Trust offers this valuable service to the community, providing assistance to citizens in need on matters related to housing, benefits, bills, training, employment opportunities, signposting and many other issues.

Elderly Services:

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

- Delivering a contract awarded by Birmingham City Council, which has given much needed support to the isolated and vulnerable elderly. The regular weekly programmes and the lunch club are held on Wednesdays.

Volunteering:

Volunteering played a crucial role during the Covid period, but efforts started to decline post Covid-19. It is recommended to focus on doubling efforts in organising this valuable sector for the 2023 objectives, aiming to engage better with the community and involve the youth in self-development and community contributions.

Other areas:

The Trust is actively developing strategies to enhance engagement with communities, authorities, and partners.

Support Services Department:

This department offers support to other departments, namely HR, Finance, IT, Media & Marketing and Assets and Building.

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Trustees' report (continued)
For the year ended 31 December 2022

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 group's financial position and performance is set out in the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and accompanying notes.

At at 31 December 2022, consolidated funds amounted to £9,270,270 (2021 - £8,731,027) comprising restricted funds of £137,439 (2021 - £190,523), designated funds of £7,765,786 (2021 - £7,935,545) and unrestricted general funds, equivalent to the free reserves of the group, of £1,367,045 (2021 - £604,959). £7,690,786 of fixed assets are included in designated funds now that the fixed assets that represent the funds have been purchased and the restrictions pertaining to the source funding have therefore been met.

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 general 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.

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Trustees' report (continued)
For the year ended 31 December 2022

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 dated 19 June 2003 as amended by a special resolution on 25 November 2014 and is a registered charity with a charity number of 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 and Articles of Association.

c. Organisational structure and decision-making policies

The Board of Trustees, which comprises up to 15 members (presently 7), administer the Charity. 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 was rolled out by the end of 2022. 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 operations will be reviewed and revenues monitored to maintain a high level of service. The assets and facilities of the Trust can make a real profitable source of income and will be continuously reviewed to enhance the assets and to ensure a sustainable income stream for the organisation.

The key remit of the Trust 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.

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Trustees' report (continued)
For the year ended 31 December 2022

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

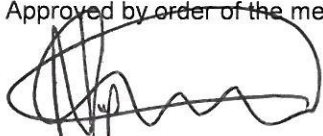
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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 Trustees, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 1 April 2022. The designated Trustees will propose a motion reappointing Dains Audit Limited at a meeting of the Trustees.

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



Mr Nageeb Mohammed Ali
Trustee

Date:

25/09/23

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 2022 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 2022 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.

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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 charity and to the group through discussions with trustees 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 charity and the group, 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 the charitable company's and the group'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 accounting estimates 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 charitable company's and the group's legal advisors.

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

Auditors' responsibilities for the audit of the financial statements (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.

Dains Audit Limited

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

Date: 25.9.23

The Muath Trust
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Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	550,030	267,422	817,452	392,989
Charitable activities	5	788,219	525,467	1,313,686	1,610,351
Other trading activities	6	1,195,625	-	1,195,625	1,271,840
Investments	7	94	-	94	13
Total income		2,533,968	792,889	3,326,857	3,275,193
Expenditure on:					
Raising funds	8	1,077,276	-	1,077,276	1,097,851
Charitable activities	9	863,660	845,973	1,709,633	2,121,594
Total expenditure		1,940,936	845,973	2,786,909	3,219,445
Net income/(expenditure)		593,032	(53,084)	539,948	55,748
Taxation		(705)	-	(705)	-
Net movement in funds		592,327	(53,084)	539,243	55,748
Reconciliation of funds:					
Total funds brought forward	19	8,540,504	190,523	8,731,027	8,675,279
Net movement in funds		592,327	(53,084)	539,243	55,748
Total funds carried forward	19	9,132,831	137,439	9,270,270	8,731,027

The notes on pages 19 to 40 form part of these financial statements.

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

Consolidated balance sheet
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	7,048,072	7,217,831
Investment property	15	642,714	642,714
		<u>7,690,786</u>	<u>7,860,545</u>
Current assets			
Debtors	17	283,830	366,238
Cash at bank and in hand		1,516,393	1,238,178
		<u>1,800,223</u>	<u>1,604,416</u>
Creditors: amounts falling due within one year	18	(220,739)	(733,934)
Net current assets		<u>1,579,484</u>	<u>870,482</u>
Total net assets		<u><u>9,270,270</u></u>	<u><u>8,731,027</u></u>
Charity funds			
Restricted funds	19	137,439	190,523
Unrestricted funds	19	9,132,831	8,540,504
Total funds		<u><u>9,270,270</u></u>	<u><u>8,731,027</u></u>

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 and signed on their behalf by:



Mr Nageeb Mohammed Ali
Trustee

Date: 25/09/23

The notes on pages 19 to 40 form part of these financial statements.

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


Charity balance sheet
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	6,678,223	6,847,514
Investments	16	301	301
Investment property	15	183,400	183,400
		<u>6,861,924</u>	<u>7,031,215</u>
Current assets			
Debtors	17	1,369,339	1,528,841
Cash at bank and in hand		1,264,764	860,889
		<u>2,634,103</u>	<u>2,389,730</u>
Creditors: amounts falling due within one year	18	(169,150)	(612,204)
Net current assets		<u>2,464,953</u>	<u>1,777,526</u>
Total net assets		<u><u>9,326,877</u></u>	<u><u>8,808,741</u></u>
Charity funds			
Restricted funds		137,439	190,523
Unrestricted funds		9,189,438	8,618,218
Total funds		<u><u>9,326,877</u></u>	<u><u>8,808,741</u></u>

The Charity's net movement in funds for the year was £518,136 (2021 - £46,375).

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 and signed on their behalf by:


Mr Nageeb Mohammed Ali
Trustee

Date: 25/09/23

The notes on pages 19 to 40 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	22	288,751	493,798
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		1,099	-
Purchase of tangible fixed assets		(11,635)	(5,706)
Purchase of investment property		-	(62,000)
Net cash used in investing activities		(10,536)	(67,706)
Change in cash and cash equivalents in the year		278,215	426,092
Cash and cash equivalents at the beginning of the year		1,238,178	812,086
Cash and cash equivalents at the end of the year	23	1,516,393	1,238,178

The notes on pages 19 to 40 form part of these financial statements

The Muath Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2022

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 2019), 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 donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

Government 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 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.9 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. Accounting policies (continued)

2.10 Investment property

Investment properties are measured initially at cost and subsequently measured at fair value at the reporting date, except where that property is rented to another group entity. The fair value is determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Depreciation is not provided on investment property measured at fair value. Changes in fair value are recognised in the Consolidated statement of financial activities.

2.11 Investments

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

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.17 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.

2.18 Employee benefits

Termination benefits do not provide the Group with future economic benefits. As a result, these benefits are recognised immediately in the Consolidated statement of financial activities once the Group is demonstrably committed to terminate employment.

2.19 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. Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical accounting estimates and assumptions:

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

The Muath Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Mosque donations	-	200,887	200,887
Capital donations	537,000	-	537,000
Other donations in support of the trust	13,030	66,535	79,565
	<u>550,030</u>	<u>267,422</u>	<u>817,452</u>
	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>

In 2021, the Group furloughed certain staff under the government's Coronavirus Job Retention Scheme (CJRS). The funding received of £75,092 relates to claims made in respect of that year.

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Notes to the financial statements
For the year ended 31 December 2022

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Education & Training	57,133	-	57,133
Project Grant Funding	185,183	525,467	710,650
Nursery Fees & Childrens Centre	10,021	-	10,021
AAS & Tahfeedh	251,540	-	251,540
Conference & Units Hire	169,840	-	169,840
Residential Accommodation	114,502	-	114,502
	<u>788,219</u>	<u>525,467</u>	<u>1,313,686</u>
	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>

The Muath Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2022

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Trading subsidiary income	1,195,625	1,195,625	1,271,840

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	94	94	13

The Muath Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2022

8. Expenditure on raising funds

Consolidated trading subsidiary expenditure

	Unrestricted funds 2022 £	Total funds 2022 £
Staff costs	886,609	886,609
Trading expenses	180,639	180,639
Depreciation	10,028	10,028
	<u>1,077,276</u>	<u>1,077,276</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Staff costs	845,347	845,347
Trading expenses	243,910	243,910
Depreciation	8,594	8,594
	<u>1,097,851</u>	<u>1,097,851</u>

9. Analysis of expenditure by activities

	Direct costs 2022 £	Grants paid 2022 £	Support costs 2022 £	Total funds 2022 £
Operational Services	<u>1,283,511</u>	<u>(84,083)</u>	<u>510,205</u>	<u>1,709,633</u>

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

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Notes to the financial statements
For the year ended 31 December 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	1,202,028	1,036,955
Operational services	81,483	96,499
	<u>1,283,511</u>	<u>1,133,454</u>

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Depreciation	161,657	166,117
Premises expenses	232,756	170,597
Vehicles and travel	7,380	4,431
Insurance	24,634	22,614
Office administration	43,964	24,798
Bank charges	5,578	4,424
Governance	25,627	24,661
Loss on sale of fixed assets	8,609	-
	<u>510,205</u>	<u>417,642</u>

The Muath Trust
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Notes to the financial statements
For the year ended 31 December 2022

10. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £
Grants to delivery partners	(84,083)	(84,083)

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

The Group has made/(cancelled) the following grants to institutions during the year:

	2022 £	2021 £
Name of institution		
Northstar Community and Economic Development Services Ltd	595	308,076
Ashiana Community Project	64,185	118,192
Narthex, Sparkhill	(148,863)	122,832
	(84,083)	549,100
Other grants to institutions	-	21,398
	(84,083)	570,498

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

Grants previously awarded to Narthex have been cancelled due to their underdelivery and subsequent withdrawal from the partner network during the year.

The Muath Trust
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Notes to the financial statements
For the year ended 31 December 2022

11. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	13,250	11,450
Fees payable to the Group's auditor in respect of:		
Tax compliance services	1,800	1,100
All non-audit services not included above	750	985

12. Staff costs

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	1,947,948	1,767,603	1,134,213	981,057
Social security costs	106,407	87,689	58,295	49,189
Pension costs	34,282	27,010	9,520	6,709
	2,088,637	1,882,302	1,202,028	1,036,955

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

	Group	Group	Company	Company
	2022	2021	2022	2021
	No.	No.	No.	No.
Staff	190	196	135	137

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 £78,134 (2021 - £54,167).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year, no expenses were reimbursed to Trustees (2021 - £NIL).

The Muath Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2022

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 January 2022	1,663,547	6,976,933	47,338	639,814	159,089	9,486,721
Additions	-	-	-	2,075	9,560	11,635
Disposals	-	-	(47,338)	-	-	(47,338)
At 31 December 2022	<u>1,663,547</u>	<u>6,976,933</u>	<u>-</u>	<u>641,889</u>	<u>168,649</u>	<u>9,451,018</u>
Depreciation						
At 1 January 2022	350,767	1,162,646	35,202	565,572	154,703	2,268,890
Charge for the year	33,271	118,659	2,427	14,882	2,446	171,685
On disposals	-	-	(37,629)	-	-	(37,629)
At 31 December 2022	<u>384,038</u>	<u>1,281,305</u>	<u>-</u>	<u>580,454</u>	<u>157,149</u>	<u>2,402,946</u>
Net book value						
At 31 December 2022	<u>1,279,509</u>	<u>5,695,628</u>	<u>-</u>	<u>61,435</u>	<u>11,500</u>	<u>7,048,072</u>
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>

The Muath Trust
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Notes to the financial statements
For the year ended 31 December 2022

14. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 January 2022	1,233,859	6,976,933	47,338	639,814	159,089	9,057,033
Additions	-	-	-	2,075	-	2,075
Disposals	-	-	(47,338)	-	-	(47,338)
At 31 December 2022	1,233,859	6,976,933	-	641,889	159,089	9,011,770
Depreciation						
At 1 January 2022	291,396	1,162,646	35,202	565,572	154,703	2,209,519
Charge for the year	24,677	118,659	2,427	14,882	1,012	161,657
On disposals	-	-	(37,629)	-	-	(37,629)
At 31 December 2022	316,073	1,281,305	-	580,454	155,715	2,333,547
Net book value						
At 31 December 2022	917,786	5,695,628	-	61,435	3,374	6,678,223
At 31 December 2021	942,463	5,814,287	12,136	74,242	4,386	6,847,514

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.

The Muath Trust
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Notes to the financial statements
For the year ended 31 December 2022

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2022	642,714
At 31 December 2022	<u>642,714</u>

Charity

	Freehold investment property £
Valuation	
At 1 January 2022	183,400
At 31 December 2022	<u>183,400</u>

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 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Historical cost	669,314	669,314	210,000	210,000
Accumulated depreciation	(61,772)	(48,386)	(43,400)	(39,200)
	<u>607,542</u>	<u>620,928</u>	<u>166,600</u>	<u>170,800</u>

The Muath Trust
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Notes to the financial statements
For the year ended 31 December 2022

16. Fixed asset investments

	Investments in subsidiaries £
Charity	
Cost or valuation	
At 1 January 2022	301
At 31 December 2022	<u>301</u>

See note 28 for details concerning the subsidiary undertakings.

17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	107,708	139,008	38,617	106,456
Amounts owed by group undertakings	-	-	1,190,518	1,255,300
Other debtors	9,757	4,156	438	407
Prepayments and accrued income	27,603	57,400	1,004	1,004
Grants receivable	138,762	165,674	138,762	165,674
	<u>283,830</u>	<u>366,238</u>	<u>1,369,339</u>	<u>1,528,841</u>

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	161,955	342,667	154,581	339,228
Corporation tax	705	-	-	-
Other taxation and social security	13,764	25,347	-	17,873
Other creditors	9,876	108,475	6,058	104,612
Accruals and deferred income	34,439	257,445	8,511	150,491
	<u>220,739</u>	<u>733,934</u>	<u>169,150</u>	<u>612,204</u>

At the balance sheet date, the Group was holding £1,019 (2021 - £9,595) of income received in advance for care services.

The Muath Trust
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Notes to the financial statements
For the year ended 31 December 2022

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Transfers in/(out) £	Balance at 31 December 2022 £
Unrestricted funds						
Designated funds						
Reserves	75,000	-	-	-	-	75,000
Fixed assets	7,860,545	537,000	(170,266)	-	(536,493)	7,690,786
	<u>7,935,545</u>	<u>537,000</u>	<u>(170,266)</u>	<u>-</u>	<u>(536,493)</u>	<u>7,765,786</u>
General funds						
General Funds	<u>604,959</u>	<u>1,996,968</u>	<u>(1,770,670)</u>	<u>(705)</u>	<u>536,493</u>	<u>1,367,045</u>
Total Unrestricted funds	<u>8,540,504</u>	<u>2,533,968</u>	<u>(1,940,936)</u>	<u>(705)</u>	<u>-</u>	<u>9,132,831</u>
Restricted funds						
Community projects	-	525,468	(525,468)	-	-	-
Mosque fund	190,523	200,886	(253,970)	-	-	137,439
International donations - Tafeedh	-	66,535	(66,535)	-	-	-
	<u>190,523</u>	<u>792,889</u>	<u>(845,973)</u>	<u>-</u>	<u>-</u>	<u>137,439</u>
Total of funds	<u>8,731,027</u>	<u>3,326,857</u>	<u>(2,786,909)</u>	<u>(705)</u>	<u>-</u>	<u>9,270,270</u>

Designated funds comprise reserves set aside by the charitable company only for use with prior approval from the Board, unrestricted amounts tied up in fixed assets, and the fixed asset fund transferred from restricted funds into unrestricted funds given that the terms pertaining to the original capital funding have been satisfied and there are no longer any fixed assets held for restricted purposes.

Restricted funds comprise community project grant funding (for example: the AEGIS and Stepping Up projects supported by the European Social Fund), 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.

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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	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>-</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
Total Unrestricted funds	<u>2,353,968</u>	<u>2,060,996</u>	<u>(1,945,844)</u>	<u>-</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 - Food baskets	-	27,328	(27,328)	-	-	-
International donations - Tahfeedh	-	106,404	(106,404)	-	-	-
	<u>6,321,311</u>	<u>1,214,197</u>	<u>(1,273,601)</u>	<u>-</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>-</u>	<u>8,731,027</u>

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20. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Transfers in/(out) £	Balance at 31 December 2022 £
Designated funds	7,935,545	537,000	(170,266)	-	(536,493)	7,765,786
General funds	604,959	1,996,968	(1,770,670)	(705)	536,493	1,367,045
Restricted funds	190,523	792,889	(845,973)	-	-	137,439
	<u>8,731,027</u>	<u>3,326,857</u>	<u>(2,786,909)</u>	<u>(705)</u>	<u>-</u>	<u>9,270,270</u>

Summary of funds - prior 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>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	7,048,072	-	7,048,072
Investment property	642,714	-	642,714
Current assets	1,662,784	137,439	1,800,223
Creditors due within one year	(220,739)	-	(220,739)
Difference	-	-	(1)
Total	<u>9,132,831</u>	<u>137,439</u>	<u>9,270,270</u>

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior 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	8,540,504	190,523	8,731,027

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	539,243	55,748
Adjustments for:		
Depreciation charges	171,685	174,710
Tax charges	705	-
Loss on the sale of fixed assets	8,609	-
Decrease/(increase) in debtors	82,408	(30,806)
Increase/(decrease) in creditors	(513,899)	294,146
Net cash provided by operating activities	288,751	493,798

23. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand and at bank	1,516,393	1,238,178

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24. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,238,178	278,215	1,516,393

25. 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 £27,215 (2021 - £27,010). Contributions totalling £3,512 (2021 - £5,235) were payable to the fund at the balance sheet date and are included in other creditors.

26. Operating lease commitments

At 31 December 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	3,590	-	3,590	-
Later than 1 year and not later than 5 years	10,771	-	10,771	-
Later than 5 years	1,795	-	1,795	-
	<u>16,156</u>	<u>-</u>	<u>16,156</u>	<u>-</u>

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27. Related party transactions

The charitable company had a net loan account balance of £1,190,518 (2021 - £1,255,300) due from its subsidiary undertakings at the balance sheet date as detailed below:

	2021 £	2021 £
Muath Trading Ltd	917,333	942,474
Trust Quality Care Ltd	273,185	312,826
	<u>1,190,518</u>	<u>1,255,300</u>

Movements in the loan accounts did not impact upon income or expenditure in the year aside from a £53,273 (2021 - £30,850) management charge from the charitable parent company to Trust Quality Care Ltd.

Details of key management personnel remuneration can be found in note 12.

28. 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 2022 £	Expenditure 2022 £	Net assets / (liabilities) 31 December 2022 £
Trust Quality Care Ltd	1,158,175	(1,111,257)	13,257
Muath Trading Ltd	37,450	(16,343)	(69,563)

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