

The Muath Trust

Trustees' Report and Financial Statements

For the year ended 31 December 2023



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 2023

Trustees	Mr Adnan Abdul Rahman Saif, Chair (resigned 18 November 2023) 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, Treasurer Dr Yahya Al-Jalal Mrs Faten Abdul Galil Yafai Dr Saeed Nasser (appointed 25 November 2023) Mr Mohammed Abdulrahman Dabwan Saif (appointed 18 January 2024)
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	Mr Salem Ahmed (Acting CEO to May 2023) 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
(A company limited by guarantee)

Trustees' report
For the year ended 31 December 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 January 2023 to 31 December 2023. 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 the 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 delivering its programmes by entering into strategic partnerships with key stakeholders and other specialist institutions. Over the years, the Trust has entered into long standing partnerships with a number of local, 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.

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. Support Services

- a. IT
- b. HR
- c. Finance
- d. Marketing
- e. Research, monitoring, evaluation, accountability & learning (MEAL)

2. Education, Training & Employment Department

- a. Nursery
- b. Amanah Arabic School - supplementary education
- c. Vocational & Soft Skills (L2 & L3)

3. Business Development Department

- a. Fundraising and grants
- b. Overseas partnerships
- c. External relations

4. Facilities Management

- a. Conferences, banqueting halls, sports facilities
- b. Accommodation, business units
- c. Maintenance

Objectives and activities (continued)

5. Community Care Services Department

- a. Trust Quality Care Ltd:
 - i. Care home and
 - ii. Domiciliary care services

6. Faith and Cultural Services

- a. Amanah Masjid, faith services, community education and cultural research

7. Youth & Community Engagement Department

- a. Amanah youth services
- b. Women's projects
- c. Community events & sports facilities
- d. Elderly services
- e. Volunteers
- f. Information, Advice and Guidance (IAG)

Achievements and performance

a. Main achievements of the Charity

The Trust continued to work closely with many partners such as faith leaders, Birmingham City Council, Department of Culture, Media and Sports (DCMS), Department for Levelling Up (DLUC), West Midlands Police, West Midlands Combined Authority and other partners to support the services provided to the community.

This year we managed to secure £156,000 of funding for a number of projects for work with young people, the elderly and for the local community in general which included a community fund to counter the effects of the cost of living crisis.

The Trust maintained its delivery of several activities while enhancing its working systems & staffing structure, promoting planning, accountability, transparency and performance. We strengthened partnerships and refocused on education & training, and youth services by prioritising funding opportunities for these services.

b. Review of activities

1. Education, Training & Employment

The training and employment projects funded through the ESF programme came to an end (Stepping Up in June 2023 and AEGIS in March 2023). Employment support for 40 adults between January and March which included: CV and cover letters support, mock interviews and job applications. The Trust also focused on cultural education, successfully maintaining Arabic supplementary schools.

The Trust continues to provide a range of services to support the economic and social welfare of the local community. This includes advising those seeking employment and aiding those seeking career enhancement.

2. Community Care Services Department

Day Nursery & Childrens' 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 55 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 and qualified staff who are trained in safeguarding, first aid and child protection. The Nursery follows the Early Years Foundation Stage which ensures a broad balanced education for the children. The Nursery received an 'Outstanding' rating in all areas at the last Ofsted inspection in October 2022.

- We have continued to focus on parent partnerships; involving the parents in their children's learning - through newsletters, daily communication and regular emails. Parents have access to the nursery to view its facilities and have regular meetings with staff; especially parents of children with special needs and those who need support and guidance.
- Regular safety measures are in place to maintain the safety of the children and staff. This is done through risk assessments and following government guidelines.

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 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.

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 home, a 29-bed residential unit 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. The last CQC inspection found that there was good practice all round.

3. Assets, Conference & Banqueting Department

The Muath Banqueting and Conference Centre offers 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 onsite and benefit from some of the services and support the Trust offers.

4. Faith and Cultural Services

Amanah Masjid (Mosque):

The Amanah Masjid in Birmingham has become prominent, catering to a large congregation of worshipers 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 after the pandemic in coordination with other Birmingham Masjids and the Department of Public Health of BCC.
- 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.

Achievements and performance (continued)

5. 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 programs. 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 organizing events during school mid-term holidays and summer vacations.
- Encouraging the youth, both boys and girls, to organize 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, immigration, 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.

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. The Trust focused on doubling efforts in organizing this valuable activity; 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, Research & MEAL.

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 2023, consolidated funds amounted to £9,145,479 (2022 - £9,270,270) comprising restricted funds of £161,343 (2022 - £137,439), designated funds of £7,624,709 (2022 - £7,765,786) and unrestricted general funds, equivalent to the free reserves of the group, of £1,359,427 (2022 - £1,367,045). £7,549,709 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.

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 & 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 a drive for good practice, regular reviews of policies and procedures are undertaken and HR and Health & Safety support and services are provided by a professional company.

Plans for future periods

The new organisational structure which began to be rolled out in 2022 was fully in place by the end of 2023. This will be the cornerstone for the implementation of the Trust's strategy in the short term and medium-term.

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, all facilitated by better management of human resources. The Trust will develop new investment portfolios benefiting from its experience of endowment assets such as the portfolio it has already acquired (Rose Tavern and others) and expanding those opportunities with more acquisition and better investment management. Discussions have already been started with some philanthropists and development banks and these opportunities will be explored further.

The Management will continue developing systems for efficient and effective implementation of its plans and gradually introducing a new culture of planning, monitoring, evaluating and reporting as well as 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 and losses through focused management of its assets and revenues.

The Trust's TQC subsidiary's operations will be reviewed and revenues monitored to maintain a high level of service and profitability. The assets and facilities of the Trust will continue to be a profitable source of income and will be continuously reviewed to enhance the assets and ensure a sustainable income stream for the organisation well into the future.

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.

The Muath Trust
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Trustees' report (continued)
For the year ended 31 December 2023

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 Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion regarding the auditors at a meeting of the Trustees.

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



Mr Kassim Mohamed Salem Ahmed
Trustee

Date: 12.09.2024

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 2023 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 2023 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.

Independent Auditors' Report to the Members of The Muath Trust (continued)

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.

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.

Independent Auditors' Report to the Members of The Muath Trust (continued)

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.

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.

The Muath Trust
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Independent Auditors' Report to the Members of The Muath Trust (continued)

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.

A handwritten signature in black ink, reading "Dains Audit Ltd.", written in a cursive style.

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

Date: 12 / 09 / 2024

The Muath Trust
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Note				
Income from:					
Donations and legacies	4	16,064	209,583	225,647	817,452
Charitable activities	5	821,185	459,258	1,280,443	1,313,686
Other trading activities	6	1,128,035	-	1,128,035	1,195,625
Investments	7	129	-	129	94
Total income		1,965,413	668,841	2,634,254	3,326,857
Expenditure on:					
Raising funds	8	1,028,084	-	1,028,084	1,077,276
Charitable activities	9	1,047,296	677,043	1,724,339	1,709,633
Total expenditure		2,075,380	677,043	2,752,423	2,786,909
Net income/(expenditure)		(109,967)	(8,202)	(118,169)	539,948
Taxation		(6,622)	-	(6,622)	(705)
Transfers between funds	19	(32,106)	32,106	-	-
Net movement in funds		(148,695)	23,904	(124,791)	539,243
Reconciliation of funds:					
Total funds brought forward	19	9,132,831	137,439	9,270,270	8,731,027
Net movement in funds		(148,695)	23,904	(124,791)	539,243
Total funds carried forward	19	8,984,136	161,343	9,145,479	9,270,270

The notes on pages 21 to 45 form part of these financial statements.

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

Consolidated balance sheet
As at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	6,906,995	7,048,072
Investment property	15	642,714	642,714
		7,549,709	7,690,786
Current assets			
Debtors	17	248,567	283,830
Cash at bank and in hand		1,649,269	1,516,393
		1,897,836	1,800,223
Creditors: amounts falling due within one year	18	(302,066)	(220,739)
Net current assets		1,595,770	1,579,484
Total net assets		9,145,479	9,270,270
Charity funds			
Restricted funds	19	161,343	137,439
Unrestricted funds	19	8,984,136	9,132,831
Total funds		9,145,479	9,270,270

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 Kassim Mohamed Salem Ahmed
Trustee

Date: 12.09.2024

The notes on pages 21 to 45 form part of these financial statements.

The Muath Trust**(A company limited by guarantee)****Registered number: 04805117****Charity Balance sheet****As at 31 December 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	6,547,652	6,678,223
Investments	16	301	301
Investment property	15	183,400	183,400
		6,731,353	6,861,924
Current assets			
Debtors	17	1,402,972	1,369,339
Cash at bank and in hand		1,300,802	1,264,764
		2,703,774	2,634,103
Creditors: amounts falling due within one year	18	(246,585)	(169,150)
Net current assets		2,457,189	2,464,953
Total net assets		9,188,542	9,326,877
Charity funds			
Restricted funds	19	161,343	137,439
Unrestricted funds		9,027,199	9,189,438
Total funds		9,188,542	9,326,877

The Charity's net movement in funds for the year was £(138,335) (2022 - £518,136).

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 Kassim Mohamed Salem Ahmed

Trustee

Date: **12.09.2024**

The notes on pages 21 to 45 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	21	161,844	288,751
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		-	1,099
Purchase of tangible fixed assets		(28,968)	(11,635)
Net cash used in investing activities		(28,968)	(10,536)
Change in cash and cash equivalents in the year		132,876	278,215
Cash and cash equivalents at the beginning of the year		1,516,393	1,238,178
Cash and cash equivalents at the end of the year	22	1,649,269	1,516,393

The notes on pages 21 to 45 form part of these financial statements

Notes to the financial statements
For the year ended 31 December 2023

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.

Notes to the financial statements
For the year ended 31 December 2023

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.

2. Accounting policies (continued)

2.5 Expenditure (continued)

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.

2.6 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.

2.7 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.

2.8 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.

Notes to the financial statements
For the year ended 31 December 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

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 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.

2.10 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.

Notes to the financial statements
For the year ended 31 December 2023

2. Accounting policies (continued)

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 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.

2.16 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.

2.17 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. Accounting policies (continued)

2.18 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 estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Critical areas of judgement:

Depreciation

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate given the activities of the charity.

The Muath Trust
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Notes to the financial statements
For the year ended 31 December 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Mosque donations	-	209,583	209,583
Other donations in support of the trust	16,064	-	16,064
	<u>16,064</u>	<u>209,583</u>	<u>225,647</u>

	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>

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Notes to the financial statements
For the year ended 31 December 2023

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Education & Training	51,825	-	51,825
Project Grant Funding	-	459,258	459,258
Nursery Fees & Childrens Centre	10,550	-	10,550
AAS & Tahfeedh	353,853	-	353,853
Conference & Units Hire	243,888	-	243,888
Residential Accommodation	161,069	-	161,069
	821,185	459,258	1,280,443

	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
	788,219	525,467	1,313,686

Notes to the financial statements
For the year ended 31 December 2023

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Trading subsidiary income	1,128,035	1,128,035	1,195,625

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	129	129	94

Notes to the financial statements
For the year ended 31 December 2023

8. Expenditure on raising funds

Consolidated trading subsidiary expenditure

	Unrestricted funds 2023 £	Total funds 2023 £
Staff costs	800,280	800,280
Trading expenses	217,298	217,298
Depreciation	10,506	10,506
	<u>1,028,084</u>	<u>1,028,084</u>
	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>

Notes to the financial statements
For the year ended 31 December 2023

9. Analysis of expenditure by activities

	Direct costs 2023 £	Grants paid 2023 £	Support costs 2023 £	Total funds 2023 £
Operational Services	1,052,385	60,105	611,849	1,724,339

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

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	971,524	1,202,028
Operational services	80,861	81,483
	1,052,385	1,283,511

Notes to the financial statements
For the year ended 31 December 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Depreciation	159,539	161,657
Premises expenses	308,779	232,756
Vehicles and travel	7,947	7,380
Insurance	41,730	24,634
Office administration	49,373	43,964
Bank charges	6,628	5,578
Governance	37,853	25,627
Loss on sale of fixed assets	-	8,609
	<u>611,849</u>	<u>510,205</u>

Notes to the financial statements
For the year ended 31 December 2023

10. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £
Grants to delivery partners	60,105	60,105

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

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

	2023 £	2022 £
Name of institution		
Northstar Community and Economic Development Services Ltd	24,626	595
Ashiana Community Project	35,479	64,185
Narthex, Sparkhill	-	(148,863)
	60,105	(84,083)

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 were cancelled in the prior year due to their underdelivery and subsequent withdrawal from the partner network.

Notes to the financial statements
For the year ended 31 December 2023

11. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	14,575	13,250
Fees payable to the Group's auditor in respect of:		
Tax compliance services	1,650	1,800
All non-audit services not included above	850	750

12. Staff costs

	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	1,659,306	1,947,948	916,183	1,134,213
Social security costs	91,840	106,407	45,353	58,295
Pension costs	20,658	34,282	9,988	9,520
	1,771,804	2,088,637	971,524	1,202,028

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

	Group	Group	Company	Company
	2023	2022	2023	2022
	No.	No.	No.	No.
Staff	154	190	103	135

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 £56,344 (2022 - £78,134).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year, no expenses were reimbursed to Trustees (2022 - £NIL).

Notes to the financial statements
For the year ended 31 December 2023

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 January 2023	1,663,547	6,976,933	-	641,889	168,649	9,451,018
Additions	-	-	7,670	21,298	-	28,968
At 31 December 2023	1,663,547	6,976,933	7,670	663,187	168,649	9,479,986
Depreciation						
At 1 January 2023	384,038	1,281,305	-	580,454	157,149	2,402,946
Charge for the year	33,271	118,659	1,534	13,455	3,126	170,045
At 31 December 2023	417,309	1,399,964	1,534	593,909	160,275	2,572,991
Net book value						
At 31 December 2023	1,246,238	5,576,969	6,136	69,278	8,374	6,906,995
At 31 December 2022	1,279,509	5,695,628	-	61,435	11,500	7,048,072

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Notes to the financial statements
For the year ended 31 December 2023

14. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 January 2023	1,233,859	6,976,933	-	641,889	159,089	9,011,770
Additions	-	-	7,670	21,298	-	28,968
At 31 December 2023	1,233,859	6,976,933	7,670	663,187	159,089	9,040,738
Depreciation						
At 1 January 2023	316,073	1,281,305	-	580,454	155,715	2,333,547
Charge for the year	24,677	118,659	1,534	13,455	1,214	159,539
At 31 December 2023	340,750	1,399,964	1,534	593,909	156,929	2,493,086
Net book value						
At 31 December 2023	893,109	5,576,969	6,136	69,278	2,160	6,547,652
At 31 December 2022	917,786	5,695,628	-	61,435	3,374	6,678,223

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 2023

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2023	642,714
At 31 December 2023	<u>642,714</u>

Charity

	Freehold investment property £
Valuation	
At 1 January 2023	183,400
At 31 December 2023	<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 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Historical cost	669,314	669,314	210,000	210,000
Accumulated depreciation	(75,158)	(61,772)	(47,600)	(43,400)
	<u>594,156</u>	<u>607,542</u>	<u>162,400</u>	<u>166,600</u>

Notes to the financial statements
For the year ended 31 December 2023

16. Fixed asset investments

	Investments in subsidiaries £
Charity	
Cost	
At 1 January 2023	301
At 31 December 2023	<u>301</u>

See note 27 for details concerning the subsidiary undertakings.

17. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	48,491	107,708	26,649	38,617
Amounts owed by group undertakings	-	-	1,210,966	1,190,518
Other debtors	10,043	9,757	1,456	438
Prepayments and accrued income	27,136	27,603	1,004	1,004
Grants receivable	162,897	138,762	162,897	138,762
	<u>248,567</u>	<u>283,830</u>	<u>1,402,972</u>	<u>1,369,339</u>

The Muath Trust
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Notes to the financial statements
For the year ended 31 December 2023

18. Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	134,731	161,955	127,115	154,581
Corporation tax	6,622	705	-	-
Other taxation and social security	63,658	13,764	53,716	-
Other creditors	11,900	9,876	7,280	6,058
Accruals and deferred income	85,155	34,439	58,474	8,511
	302,066	220,739	246,585	169,150

At the balance sheet date, the Group was holding £Nil (2022 - £1,019) of income received in advance for care services.

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Notes to the financial statements
For the year ended 31 December 2023

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Taxation £	Transfers in/(out) £	Balance at 31 December 2023 £
Unrestricted funds						
Designated funds						
Reserves	75,000	-	-	-	-	75,000
Fixed assets	7,690,786	-	(159,539)	-	18,462	7,549,709
	<u>7,765,786</u>	<u>-</u>	<u>(159,539)</u>	<u>-</u>	<u>18,462</u>	<u>7,624,709</u>
General funds						
General funds	<u>1,367,045</u>	<u>1,965,413</u>	<u>(1,915,841)</u>	<u>(6,622)</u>	<u>(50,568)</u>	<u>1,359,427</u>
Total Unrestricted funds	<u>9,132,831</u>	<u>1,965,413</u>	<u>(2,075,380)</u>	<u>(6,622)</u>	<u>(32,106)</u>	<u>8,984,136</u>
Restricted funds						
Community projects	-	367,908	(358,915)	-	-	8,993
Mosque fund	137,439	209,583	(226,778)	-	32,106	152,350
International donations - Tahfeedh	-	91,350	(91,350)	-	-	-
	<u>137,439</u>	<u>668,841</u>	<u>(677,043)</u>	<u>-</u>	<u>32,106</u>	<u>161,343</u>
Total of funds	<u><u>9,270,270</u></u>	<u><u>2,634,254</u></u>	<u><u>(2,752,423)</u></u>	<u><u>(6,622)</u></u>	<u><u>-</u></u>	<u><u>9,145,479</u></u>

Notes to the financial statements
For the year ended 31 December 2023

19. Statement of funds (continued)

Statement of funds - prior 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 - Tahfeedh	-	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><u>8,731,027</u></u>	<u><u>3,326,857</u></u>	<u><u>(2,786,909)</u></u>	<u><u>(705)</u></u>	<u><u>-</u></u>	<u><u>9,270,270</u></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 grant funding for specific community projects, mosque donations and contributions from international regions for programmes as stipulated by the donors. Such funds are therefore unavailable for general use in running the Bordesley Centre.

Notes to the financial statements
For the year ended 31 December 2023

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	6,906,995	-	6,906,995
Investment property	642,714	-	642,714
Current assets	1,706,493	191,343	1,897,836
Creditors due within one year	(272,066)	(30,000)	(302,066)
Total	8,984,136	161,343	9,145,479

Analysis of net assets between funds - prior 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)
Total	9,132,831	137,439	9,270,270

Notes to the financial statements
For the year ended 31 December 2023

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

	Group 2023 £	Group 2022 £
Net income/(expenditure) as per Statement of financial activities	(124,791)	539,243
Adjustments for:		
Depreciation charges	170,045	171,685
Tax charges	6,622	705
Loss on the sale of fixed assets	-	8,609
Decrease in debtors	35,263	82,408
Increase/(decrease) in creditors	74,705	(513,899)
Net cash provided by operating activities	161,844	288,751

22. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand and at bank	1,649,269	1,516,393

23. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	1,516,393	132,876	1,649,269

Notes to the financial statements
For the year ended 31 December 2023

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 £20,658 (2022 - £27,215). Contributions totalling £3,550 (2022 - £3,512) were payable to the fund at the balance sheet date and are included in other creditors.

25. Operating lease commitments

At 31 December 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	3,590	3,590	3,590	3,590
Later than 1 year and not later than 5 years	8,976	10,771	8,976	10,771
Later than 5 years	-	1,795	-	1,795
	12,566	16,156	12,566	16,156

26. Related party transactions

The charitable company had a net loan account balance of £1,210,966 (2022 - £1,190,518) due from its subsidiary undertakings at the balance sheet date as detailed below:

	2023	2022
	£	£
Muath Trading Ltd	917,333	917,333
Trust Quality Care Ltd	293,633	273,185
	1,210,966	1,190,518

Movements in the loan accounts did not impact upon income or expenditure in the year aside from a £59,686 (2022 - £53,273) management charge from the charitable parent company to Trust Quality Care Ltd.

Amounts owed by the subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

The Muath Trust
(A company limited by guarantee)

Notes to the financial statements
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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 2023 £	Expenditure 2023 £	Net assets / (liabilities) 31 December 2023 £
Trust Quality Care Ltd	1,090,581	(1,063,629)	13,257
Muath Trading Ltd	37,454	(23,910)	(56,019)

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