

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOSIA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

LEGAL AND ADMINISTRATIVE INFORMATION

Charity number	1102307
Chairman	Mohammed Yassin
Secretary	Mohammed Saleem
Principal address	173-175 Albert Road Stechford Birmingham B33 8UB
Independent examiner	Nouman Shahzad 57 Alfred Street Sparkbrook Birmingham B12 8JP
Bankers	TSB Bank PLC Sparkhill Birmingham Lloyds Bank PLC New Street Birmingham

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

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JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

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

Objectives and activities

The principal objectives of the Charity are:

To help develop knowledge of religion, heritage, moral and social values and to encourage the application of the values within the community.

To provide the diverse Muslim community with a place where they can perform their acts of worship and conduct various social affairs

To encourage Sunni Brelwi Muslims to interact with the wider community, in turn promoting mutual peace and understanding with multifaiths in the neighbourhood.

To invest in the future generation and the long term possessions of the Muslim community and society at large.

Memorisation of the Holy Qura'an.

To create an enjoyable and accessible learning atmosphere through dialogue, discussion and social interaction.

Teaching to recite the Holy Qur'an in the correct manner.

Instil Islamic beliefs in the hearts of the pupils in the light of the understanding of the Qur'an and Sunnah.

Teaching the basic and necessary Islamic injunctions.

Introducing the life of the Holy Prophet Sallallahu alaihe wa sallam and other Prophets Alaihim salaam.

Teaching manners and conduct in line with Islamic etiquette and beliefs to be a good and responsible human being in society.

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

Achievements and performance

Financial review

It is the policy of the Jamia Masjid that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Jamia Masjid's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees has assessed the major risks to which the Jamia Masjid is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

Jamia Masjid and Madrassa Faiz-UI Quran Ghousia is a Charity Organisation. It is registered with the Charity Commissions (No. 1102307) and constituted by Deed of Trust.

The Charity is administered by a Trust Committee.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mohammed Yassin

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Mohammed Saleem

STATUS

Jamia Masjid and Madrassa Faiz-ul Quran Ghousia is a Registered Charity.

The Trustees report was approved by the Board of Trustees.

Mohammed Yassin
(Chairman)

Dated: 15 December 2022

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

We report to the Trustees on my examination of the financial statements of Jamia Masjid & Madrassa Faiz-ul Quran Ghousia (the Jamia Masjid) for the year ended 31 March 2022.

Responsibilities and basis of report

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

We report in respect of our examination of the Jamia Masjid's financial statements carried out under section 145 of the 2011 Act. In carrying out our examination, we have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

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

We have completed our examination. We confirm that no matters have come to our attention in connection with the examination giving us cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the Jamia Masjid as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Nouman Shahzad
57 Alfred Street
Sparkbrook
Birmingham
B12 8JP

Dated: 15 December 2022

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Charitable activities	3	97,611	74,644
<u>Expenditure on:</u>			
Charitable activities	4	93,786	63,706
Net gains/(losses) on investments	7	734,000	-
Net movement in funds		737,825	10,938
Fund balances at 1 April 2021		431,199	420,261
Fund balances at 31 March 2022		<u>1,169,024</u>	<u>431,199</u>

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

All income and expenditure derive from continuing activities.

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	8	219,329		412,221	
Investment properties	9	1,184,385		-	
		1,403,714		412,221	
Current assets					
Cash at bank and in hand		42,607		22,747	
Creditors: amounts falling due within one year	10	(277,297)		(3,769)	
Net current (liabilities)/assets			(234,690)		18,978
Total assets less current liabilities			1,169,024		431,199
Income funds					
Unrestricted funds			1,169,024		431,199
			1,169,024		431,199

The financial statements were approved by the Trustees on 15 December 2022

Mohammed Yassin
Trustee

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Jamia Masjid & Madrassa Faiz-ul Quran Ghousia is a Charity Organisation. It is registered with the Charity Commissions (No: 1102307) and constituted by Deed of Trust.

The Charity is administered by a Trust Committee.

The principal object of the Charity is to provide a Place of Worship, Religious Teachings and Education Centre for the benefit of the local community.

1.1 Accounting convention

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

The Jamia Masjid has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trustees of Jamia Masjid & Madrassa Faiz-ul Quran Ghousia.

1.4 Income

Income is recognised when the Jamia Masjid is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the Jamia Masjid has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1.5 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 are allocated on the portion of the asset's use.

The expenditures are accounted for on accrual basis.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% on cost
Fixtures and fittings	15% on written down value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. A formal valuation is scheduled post year end. The surplus or deficit on revaluation is recognised in profit or loss.

The Trustees consider that there are no significant areas of key judgement or estimation uncertainty other than those identified in the accounting policies above.

1.8 Impairment of fixed assets

At each reporting end date, the Jamia Masjid reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

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

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

2 Critical accounting estimates and judgements

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

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

3 Charitable activities

	2022 £	2021 £
Voluntary Income	53,566	22,349
Rental income	37,519	28,000
Other income: Coronavirus JRS	6,526	24,295
	<u>97,611</u>	<u>74,644</u>

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

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

4 Charitable activities

	2022 £	2021 £
Staff costs	20,711	31,895
Depreciation	16,892	11,484
Bank charges	12,538	121
Website	2,515	865
Rates	1,368	1,030
Light & heat	5,100	6,080
Stationery & printing	230	160
Telephone	478	449
Repairs & maintenance	652	4,401
Cleaning	4,679	310
Insurance	1,790	1,648
Other Professional fees	25,273	4,448
Accountants fees	1,560	815
	<u>93,786</u>	<u>63,706</u>
	<u>93,786</u>	<u>63,706</u>

5 Trustees

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

6 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>4</u>	<u>5</u>
Employment costs	2022 £	2021 £
Wages and salaries	20,640	31,365
Social security costs	71	530
	<u>20,711</u>	<u>31,895</u>

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

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

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

7 Net gains/(losses) on investments

	Unrestricted funds	Total
	2022	2021
	£	£
Revaluation of investments	734,000	-

8 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2021	547,831	8,694	556,525
Additions	90,000	-	90,000
Reclassification	(266,000)	-	(266,000)
At 31 March 2022	371,831	8,694	380,525
Depreciation and impairment			
At 1 April 2021	138,596	5,708	144,304
Depreciation charged in the year	16,444	448	16,892
At 31 March 2022	155,040	6,156	161,196
Carrying amount			
At 31 March 2022	216,791	2,538	219,329
At 31 March 2021	409,235	2,986	412,221

9 Investment property

	2022
	£
Fair value	
At 1 April 2021	-
Additions through external acquisition	184,385
Reclassification	266,000
Net gains or losses through fair value adjustments	734,000
At 31 March 2022	1,184,385

During the year the property which is let for investment purposes on leases was transferred from freehold property to investment property, as at 1 April 2021. The carrying value of the freehold property was transferred at this date. The investment property has subsequently been revalued by the Trustees at the reporting date to its expected fair value of £1,000,000 at the time based on a valuation carried out by trustees. A formal valuation is scheduled post year end.

JAMIA MASJID & MADRASSA FAIZ-UL QURAN GHOUSIA

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

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	261,297	3,769
Other creditors	16,000	-
	<u>277,297</u>	<u>3,769</u>

11 Related party transactions

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