

MIRZA SHARIF AHMAD FOUNDATION



ANNUAL REPORT

YEAR ENDED
30 SEPTEMBER

2020

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TRUSTEES AND ADVISORS

Board of Trustees

Dr C N Ahmad - Chairman

M M Ahmad ACA

Z A Choudhry

F A K Dahri

S A Farooqi FCA

Company Secretary

SA Farooqi FCA

Registered/Principal Office:

Tahir House, 22 Deer Park Road, London, SW19 3TL

Telephone: +44 (0) 208 544 7602 / 7627-8

Fax: +44 (0) 208 542 8896

Email: info@msaf.org.uk

Website: www.msaf.org.uk

Registered Charity Number: 1115258

Company Registration Number: 5689730

INDEPENDENT AUDITOR

RSM UK Audit LLP
Chartered Accountants and
Statutory Auditor
Davidson House, Forbury
Square, Reading, Berkshire
RG1 3EU

SOLICITORS

Bishop & Sewell LLP
59-60 Russell Square,
London, WC1B 4HP,
United Kingdom

BANKERS

National Westminster Bank
2nd Floor G3,
2 Cathedral Hill, Guildford,
GU1 3ZR,
United Kingdom

TRUSTEES' REPORT



Trustees' Report

The trustees (who are also directors of the Charity For the purpose of the Companies Act) are pleased to present their report together with the financial statements of the Charity For the year.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (2019).

Mirza Sharif Ahmad Foundation (MSAF) is a charitable company limited by guarantee, incorporated on 27 January 2006 and governed by its Memorandum and Articles of Association of same date.

The trustees are solely responsible for the decision making process. Based on this, they are considered to be the Charity's key management personnel.

Under the terms of the guarantee, each member has agreed to contribute one pound in the event that the Charity is wound up.

Our Objectives

The objects for which the Charity is established are:

- a. the advancement of the Muslim Faith worldwide as expounded by Hadhrat Mirza Ghulam Ahmad of Qadian, the Promised Messiah and the Founder of the Ahmadiyya Movement and interpreted by his successor known as Khalifatul Masih. The present Khalifatul Masih is Hadhrat Mirza Masroor Ahmad Khalifatul Masih V;
- b. the advancement of religious and secular education;
- c. the advancement of education, in particular in the field of scientific research and learning;
- d. the relief of those in financial need, hardship and distress;
- e. the relief of sickness and those in poor health;
- f. the relief and assistance of people in any part of the world who are the victims of war or other conflicts, natural disaster, trouble, or catastrophe;
- g. holding, managing and dealing with property which shall include (amongst other things) to improve, manage, construct, repair, develop, exchange, let on or lease, mortgage, charge, sell, dispose of, turn to account, grant licenses, options, rights and privileges in respect of, or otherwise deal with, all or any part of such property.

TRUSTEES' REPORT

Our Activities

Our activities are as follows:

- the propagation of Islam worldwide;
- the building of mosques, hospitals and schools;
- scientific research and development;
- the award of scholarships for higher education;
- the provision of emergency relief in cases of natural disasters; and
- Assistance to the deserving and needy.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives (as set out above) and in planning future activities and setting appropriate policies for the year.

Financial Review

The Charity has been reliant on income from Ahmadiyya Muslim Jamaat International, which amounted to £1,590k during the year to 30 September 2020 (30 September 2019, £1,075k). £1,295k was expended on the charitable objectives during the year (30 September 2019, £929k). The Charity has had an increase in borrowing to £32,909k (30 September 2019, £29,525k) from Ahmadiyya Muslim Jamaat International as a social investment which was invested mainly in Islamabad redevelopment project and in 11 other properties (30 September 2019, 11 properties).

Achievements and Performance

The board is proud to announce that the Charity has successfully achieved its objective of the advancement of the Muslim faith by providing free residential accommodation to ministers of religion through 21 properties acquired so far.

The main objectives for future periods are to continue to support the advancement of the Muslim faith by providing residence to religious scholars and providing scholarships for higher education.



ISLAMABAD PROJECT

The Islamabad site in Tilford initially contained an all-inclusive school, which was set up during the Second World War for evacuees and was in the end shut down in July 1977. The land was gained by the Ahmadiyya Muslim Association (AMA) in 1984.

The existing structures were in an incredibly poor state of fix and were a long way from being classed as "fit for purpose". Ecologically they failed to perform and were in an urgent need of substitution.

The development provides new purpose-built educational, office, religious and residential spaces on the footprint of the existing buildings, replacing the existing with highly sustainable modern structures that have been appropriately designed for this context and perform exceptionally in terms of environmental and energy-efficient criteria. The development offers increased flexibility of space and benefits from proper levels of natural daylighting and natural ventilation with views out onto 'green' amenity spaces externally.

Since Beard's practical completion of the Islamabad Development Project in May 2019, CCL continued to carry out the post-construction works. Beard Construction team de-mobilised from the site at the same time however, they returned to site periodically and carried on completing the snag items both in Phase-I and Phase-II.

During this period, in addition to the snagging work completed by Beard, several other activities were carried out site wide under kind instructions of Hadhrat Khalifatul Masih (aba) and MSAF/IDPC. A glimpse of the key activities completed is as below:

- Construction of Laundry room at rear of existing bungalow (guest accommodation)
- Construction of storage rooms at rear of the Masroor Hall
- Construction of pot wash shelter for the main kitchen in Masroor hall
- Water supply and utility ducts installation for the drip irrigation system around holy ground
- Construction of link roads between Shahra e Mahmud and Shahra e Sadr
- Widening of footpath leading to Masroor hall
- Construction of new kitchen to North of Bungalow
- New car parking bays in Phase-II residences
- New car parking in the main playing field
- Erection of new carport in block-5 (CD)
- Construction of new retaining wall using gabion baskets and RC brick masonry at boundary between Phase-I & Phase-II
- Erection of entrance canopy to Masroor Hall
- Construction of new road to Qasr-e-Khilafat (Shahrah e Sadr) with new drainage system, soakaways etc
- Installation of new chain linked boundary fencing around Islamabad
- Tree plantation
- Completed renovation of Nusrat Block to include new serving room and outside toilets
- Completed construction of Sarai Mahmud leading to exit gate-2



OTHER ACTIVITIES



Conservatory in Bungalow

- Construction of new car porch to accommodate 4x cars adjacent to block-15
- Construction of new conservatory in existing bungalow
- Provision of new Distribution supply in the main field with kiosks with new cable installation from main switch room
- Widening of Sarai Mahmud for two-way traffic using plastic grid finish
- Widening of Sarai Mahmud on the west side to accommodate car parking spaces throughout the length of the road
- Construction of Camper Van bays
- Construction of covered walkway between Osman Chao block and Aafiyat block



Water supply scheme in the main field

- Construction of new footpath to Hilmi Al-Shafi Road
- New access ramp to the ladies scanning
- Construction of additional water storage system
- Installation of new secondary generator and switch rooms
- Construction of new water supply and utilities ducting systems in the main field
- Construction of new porta-cabin offices and associated services
- Construction of new speed ramps in Phase-I and Phase -II
- Birds mouth fencing and widening of Hilmi Al-Shafi Road using plastic grids
- Construction of new speed ramps in Phase-I and Phase -II
- Birds mouth fencing and widening of Hilmi Al-Shafi Road using plastic grids



Construction of Shahra e Sadar



Line marking in progress



Additional water storage system



New rear entrance canopy to Masroor Hall

- New false ceiling in corridor of block-16
- Footpath to block-7 phase-II
- Footpath re-surfacing (resin bonding) Hilmi Al-Shafi Road
- Installed hard surfacing to access storage yard and allotments
- Installation of new bi-fold gates at second exit of Islamabad
- New Arm barrier at Shahrah e Sadar
- Installation of new digital screen opposite Osman Chao block
- Installation of car charging points
- Strengthening work to Jackson fencing
- Construction of new chiller and freezer outside of kitchen of Masroor Hall

MISCELLANEOUS WORKS AT ISLAMABAD



Raised arm barrier on Shahra e Sadar



Additional car park facility in the main field



Storage space at rear of Masroor Hall



Link road construction in progress



Soakaways construction for the road drainage system



Widening of footpath leading to Masroor Hall



RC/Masonry retaining wall in progress



New Switch Room



Porta-cabin offices for maintenance team



Retaining wall built using Gabion baskets



MAKHZAN
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TASAWEER
IMAGE LIBRARY
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TRUSTEES' REPORT

(continued)

Corporate Governance

The governing body of MSAF is the Board of Trustees, which comprises 5 members. The board meets formally at least three times a year, but the trustees do meet informally many times.

Potential Board members are selected from the worldwide Ahmadiyya Muslim Community. The existing board then considers its existing skill and experience requirements to ensure that potential trustees are recruited to maintain a balanced range of professional, academic and necessary skills and experience.

The induction process for any newly-appointed trustee comprises an initial meeting with the trustees, followed by a review of the grant-making process, powers and responsibilities of the board. Information supplied as part of the introduction process includes copies of the latest Board minutes, a copy of the latest annual report and financial statements, a copy of the Memorandum and Articles of Association and a copy of the Charity Commission's guidance "The Essential Trustee: What you need to know, what you need to do". On an ongoing basis, trustees are encouraged to attend seminars and conferences about sector issues and matters relevant to the Charity.

Statement of trustees' responsibilities

The trustees (who are also directors of Mirza Sharif Ahmad Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.'

TRUSTEES' REPORT

(continued)

Risk and internal control

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and financial information used within the Charity or for publication is reliable; and
- the Charity complies with relevant laws and regulations.

As part of the Charity's risk management process, the trustees acknowledge their responsibility for the Charity's system of internal control and reviewing its effectiveness. It is also recognised by the trustees that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

Risk and internal control

The trustees have set policies on risk and internal controls which cover the following:

- the responsibility of management to implement the trustees' policies and identify and evaluate risks for their consideration on an ongoing basis;
- consideration of the type of risks the Charity faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the Charity's ability to reduce the incidence and impact on the business of risks that do materialise;
- the costs of operating particular controls relative to the benefit obtained; and
- arrangements for monitoring and reporting on risk and control matters of importance, together with details of corrective action being undertaken.

A summary of the trustees' consideration of the major risks to which the Charity is exposed, together with the management of those risks, is as follows:

RISK

Income is not available from funding.

Properties in the portfolio may get damaged.

Covid-19

APPROACH

MSAF provide properties to Ahmadiyya Muslim Community and in return, the Community would ensure any related costs are met.

MSAF has taken out full insurance cover - the properties are maintained and supervised to a high standard and regularly reviewed.

Given the unprecedented real-time circumstances, it is extremely difficult to predict what will happen in the coming months. Still, the trustees consider the charity holds adequate cash reserves to fund its liabilities as they fall due for the foreseeable future.

TRUSTEES' REPORT

(continued)

Reserves

At present, any excess of income over expenditure is retained as unrestricted funds unless received as part of a specific grant or designated to a specific purpose by the trustees.

The balance on undesignated reserves as at 30 September 2020 is £768k (30 September 2019, £120k).

The balance on designated property asset funds as at 30 September 2020 is £7,116k (30 September 2019, £7,116k). This balance has been designated to reflect the net value of the property assets to the Charity.

The restricted reserves of £550k (30 September 2019, £550k) are those specifically allocated to particular property purchases.

It is the trustees' policy to establish a level of reserves sufficient to enable the Charity to operate as a going concern. This objective is specifically to ensure the Charity could cover one year's worth of grants payable from reserves, which for 2020 would equate to £107k.

Investments

Investment decisions are taken by the Board of Trustees. Funds are invested in properties.

Social Investments

The Charity has borrowed funds from Ahmadiyya Muslim Jamaat International for objectives similar to those of MSAF. This is to provide help to the poor and needy and to provide a reasonable standard of accommodation.

Grant making policies

Grants are awarded by the trustees to other charities with similar objectives and the Ahmadiyya Muslim Community both the UK, where they are most needed, having first been assessed by the trustees on a case-by-case basis. As a result, grants are made to institutions and individuals to ensure that work is done on all our objectives throughout the period.

The grant application process is designed to be as easy as possible whilst still drawing out the key information needed for a decision.



Going Concern

At the date of this report, the Coronavirus disease (COVID-19) has been declared a pandemic. The COVID-19 pandemic is unprecedented and still evolving and therefore brings challenges and uncertainties. Financial forecasts have been prepared to demonstrate that the charity has, through a combination of bank balances and the support of its social investors, sufficient cash to remain a going concern for the foreseeable future. Having considered the uncertainties posed by the pandemic, the trustees consider For the above reasons that there are no material uncertainties about the Charity's ability to continue as a going concern and have accordingly prepared the financial statements on a going concern basis.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board of Trustees and signed on its behalf on 22/06/2021 by:

Shajar Ahmad Farooqi FCA
Trustee

Independent Auditor's Report to the members of Mirza Sharif Ahmad Foundation

Opinion on financial statements

We have audited the financial statements of Mirza Sharif Ahmad Foundation (the 'charitable company') for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 FRS 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 charitable company's affairs as at 30 September 2020 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditor's Report to the members of Mirza Sharif Ahmad Foundation

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; and
- 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 the 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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

Independent Auditor's Report to the members of Mirza Sharif Ahmad Foundation

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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Kerry Gallagher (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Davidson House, Forbury Square, Reading, Berkshire

RG1 3EU

Date 23 June 2021

Statement of Financial Activities

(incorporating Income and Expenditure Account)
for the year ended 30 September 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds to 30 September 2020	Total Funds to 30 September 2019
INCOME FROM:		£ '000	£ '000	£ '000	£ '000
Donations and legacies	2	1,590	-	1,590	1,075
Other trading activities	3	353	-	353	267
TOTAL INCOME		1,943	-	1,943	1,342
EXPENDITURE ON:					
Charitable activities	4	1,295	-	1,295	929
TOTAL EXPENDITURE		1,295	-	1,295	929
NET INCOME BEFORE TRANSFERS		648	-	648	413
GROSS TRANSFERS BETWEEN FUNDS		-	-	-	-
NET MOVEMENT IN FUNDS		648	-	648	413
RECONCILIATION OF FUNDS					
Total funds at 1 October 2019		7,236	550	7,786	7,373
Total funds at 30 September 2020		7,884	550	8,434	7,786

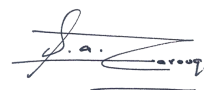
Statement of Financial Position for the year ended 30 September 2020

		As at 30 September 2020	As at 30 September 2019
	Note	£ '000	£ '000
FIXED ASSETS			
Tangible assets	8	42,494	39,598
CURRENT ASSETS			
Debtors	9	75	158
Cash at bank and in hand		23	555
		98	713
CREDITORS: amounts falling due within one year	10	(379)	(52)
NET CURRENT ASSETS		(281)	661
TOTAL ASSETS LESS CURRENT LIABILITIES		42,213	40,259
CREDITORS: amounts falling due after more than one year	11	(33,779)	(32,473)
NET ASSETS		8,434	7,786
FUNDS			
Unrestricted Funds			
Undesignated general funds	13	768	120
Designated property assets funds	13	7,116	7,116
Restricted Funds	13	550	550
		8,434	7,786

Approved and authorised for issue by the Trustees on 22/06/2021 and signed on their behalf by:



Ch. Nasir Ahmad
Chairman



S. A. Farooqi FCA
Trustee and Secretary

Statement of Cash Flows

for the year ended 30 September 2020

		As at 30 September 2020	As at 30 September 2019
	Note	£ '000	£ '000
Cash inflow from operating activities:			
Net cash used in operating activities	14	1,091	(486)
Interest paid		(18)	(18)
		1,073	(504)
Cash flow from investing activities:			
Purchase of tangible fixed assets		(2,950)	(6,212)
Net cash used in investing activities		(2,950)	(6,212)
Cash flow from financing activities:			
Proceeds of new borrowings (social investment)		3,384	5,615
Proceeds of new borrowings (Other Loans)		(2,002)	2
Proceeds of new borrowings (bank loan)		(37)	(32)
Net cash used in financing activities:		1,345	5,585
Net decrease in cash and cash equivalents		(532)	(1,131)
Cash and cash equivalents brought forward		555	1,686
Cash and cash equivalents carried forward		23	555
Relating to:			
Cash at bank and in hand		23	555
Total		23	555

Notes to the financial statements for the year ended 30 September 2020



1. LEGAL STATUS

The charity is a company limited by guarantee and incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per voting member of the Charity .

The Charity 's objectives and aims are disclosed in the Trustees' report on page 2.

ACCOUNTING CONVENTION

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention. The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the Charity's governing document 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 published on 16 July 2014 (the FRS 102 Charities SORP 2019).

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The Charity meets the definition of a public benefit entity under FRS 102.

GOING CONCERN

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. The trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about its ability to continue as a going concern. This conclusion has been formed as a result of the strong net assets position of the Charity at the year-end of £8,434k and from the continued support from Ahmadiyya Muslim Jamaat International by means of grants provided and the social investment funding For the Islamabad project. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

COVID-19

At the time of signing these financial statements the Coronavirus disease (COVID-19) has been declared a pandemic. The COVID-19 pandemic is unprecedented and still evolving and therefore brings challenges and uncertainties. Financial forecasts have been prepared demonstrating that the charity has, through a combination of bank balances and the support of its social investors, sufficient cash to remain a going concern for the foreseeable future. Having considered the uncertainties posed by the pandemic, the trustees consider for the above reasons that there are no material uncertainties about the Charity's ability to continue as a going concern and have accordingly prepared the financial statements on a going concern basis.

Notes to the financial statements for the year ended 30 September 2020

TANGIBLE FIXED ASSETS AND DEPRECIATION

Items of a capital nature are reviewed for their purpose and are capitalised where they are considered to provide an ongoing use to the Charity. Freehold property is valued at cost or on a valuation carried out at the initial date of transfer to MSAF.

Depreciation is charged against fixed assets commencing with the year of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as Follows:

Fixtures, fittings and equipment	1 year
Motor vehicles	4 year

Assets under construction are currently not being depreciated, due to the assets not being in use at the year end.

Any assets which are impaired in value are written down to their recoverable amount.

It is the charity's policy to depreciate freehold buildings over their expected useful lives to their residual value. During the year the Trustees have reassessed the residual values of the charity's freehold properties and have adjusted their accounting estimate in respect of depreciation charge to reflect this. No depreciation is provided on freehold land

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.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments under section 11 of FRS 102. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument, and are offset only when the charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction initially measured at the transaction value and subsequently measured at settlement value.

FINANCIAL LIABILITIES

Basic financial liabilities, including trade and other payables are initially recognised at transaction value 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.

Debt instruments are subsequently measured at settlement value.

DONATIONS AND GIFTS

Donations and gifts are recognised in the Statement of Financial Activities when the charity has entitlement to the funds and it is probable that the income will be received and the amount can be measured reliably. Gifts in kind are recognised at market value.

RENTAL INCOME

Rental income is included in the Statement of Financial Activities when receivable.

Notes to the financial statements for the year ended 30 September 2020



GRANTS PAYABLE

Grants payable are expensed when events have created a valid expectation in other parties that the Charity will discharge its liabilities.

EXPENDITURE

Expenditure is recognised on an accruals basis as a liability is incurred.

APPORTIONMENT OF EXPENDITURE

Expenditure (including irrecoverable VAT) is apportioned under the guidance of SORP and analysed between costs of generating funds, charitable activities and governance costs:

Expenditure is recognised on an accruals basis as a liability is incurred. The method of apportionment is as follows:

1. Costs attributable solely to one activity are allocated to that activity;
2. Costs which contribute directly to the output of more than one activity are apportioned on a reasonable, justifiable and consistent basis;
3. Support costs are apportioned based on the following criteria:

General Management	Total cost of activity
PR & Communication	Total cost of activity
Administration	Total cost of activity
Finance	Total cost of activity
Currency translation gains	Total cost of activity
Governance	Total cost of activity

FOREIGN CURRENCIES

Transactions in foreign currency are recorded at the rate of exchange prevailing at the time of transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any gains or losses are included in the Statement of Financial Activities.

FUND ACCOUNTING

Unrestricted funds are donations and other incoming resources receivable or generated in furtherance of the charity's objectives without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for specific purposes.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company'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.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Notes to the financial statements for the year ended 30 September 2020

USEFUL ECONOMIC LIVES OF TANGIBLE ASSETS

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property plant and equipment, and the corresponding accounting policy for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Donations from institutions and individuals	1,590	1,590	1,075

In the year to 30 September 2020, £550,000 donations (2019: £550,000) from institutions and individuals were restricted.

	2020 £'000	2019 £'000
Donations and legacies are split as follows:		
Income from UK sources	1,590	1,075

3. OTHER TRADING ACTIVITIES

	2020 £'000	2019 £'000
Rent receivable	353	267

Notes to the financial statements for the year ended 30 September 2020

4. CHARITABLE ACTIVITIES

	Activities undertaken directly	Grant funding & expenditure of activities	Support costs	Total cost 2020	Total cost 2019
	£'000	£'000	£'000	£'000	£'000
1. Propagation of Islam worldwide	883	173	235	1,291	925
2. Building of Mosques, Hospitals & Schools	-	-	-	-	-
3. Scientific Research & Development	-	-	-	-	-
4. Scholarships for Higher Education	-	-	-	-	-
5. Emergency Relief - Natural Disasters	-	-	-	-	-
6. Assistance to deserving and needy	-	4	-	4	4
Total charitable expenditure	883	177	235	1,295	929

Activities undertaken directly	Activity 1 £'000	Activity 2 £'000	Activity 3 £'000	Activity 4 £'000	Activity 5 £'000	Activity 6 £'000	Total £'000
Central properties	883	-	-	-	-	-	883
Total payable for the year ended 30 September 2020	883	-	-	-	-	-	883

Total payable for the year ended 30 September 2019	457	-	-	-	-	-	457
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Grant funding and Expenditure of activities	Activity 1 £'000	Activity 2 £'000	Activity 3 £'000	Activity 4 £'000	Activity 5 £'000	Activity 6 £'000	Total £'000
Ahmadiyya Muslim Association, United Kingdom	128	-	-	-	-	-	128
Al Shirkatul Islamiyyah	45	-	-	-	-	-	45
Grants to individuals	-	-	-	-	-	4	4
Total payable for the year ended 30 September 2020	173	-	-	-	-	4	177

Total payable for the year ended 30 September 2019	103	-	-	-	-	4	107
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Notes to the financial statements for the year ended 30 September 2020

	Activity 1 £'000	Activity 2 £'000	Activity 3 £'000	Activity 4 £'000	Activity 5 £'000	Activity 6 £'000	Total £'000
Support costs							
General Management	97	-	-	-	-	-	97
Administration	138	-	-	-	-	-	138
Total payable for the year ended 30 September 2020	235	-	-	-	-	-	235
Total payable for the year ended 30 September 2019	367	-	-	-	-	-	361

Of the total charitable expenditure in the year to 30 September 2020, £1,295,000 was attributable to unrestricted funds and £nil to restricted funds.

Included within support costs are governance costs amounting to £9,000 (2019: £9,000). These costs are apportioned on the total cost of each activity.

5. AUDITOR'S REMUNERATION

The auditor's remuneration amounted to £10,550 (2019: £9,750). The remuneration received for non audit services amounted to £ Nil (2018: £ Nil).

6. STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2020 £'000	2019 £'000
Wages and salaries	92	135
National Insurance	4	6
Pension	1	-
	97	141

The average number of employees during the year was 4 (2019: 4). During the year 3 (2019: 3) employees were engaged in the propagation of Islam worldwide with 1 employee engaged in administration. No employees received emoluments in excess of £60,000 during either year.

The charity considers its Board of Trustees as its key management personnel. No members of the key management personnel received remuneration in the current or previous year.

The trustees did not receive any emoluments or reimbursed expenses during either year.

7. TAXATION

The company is a registered charity and as such its income and gains falling within Section 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Notes to the financial statements for the year ended 30 September 2020

8. TANGIBLE FIXED ASSETS

	Freehold land & buildings	Fixtures, fittings & equipment	Motor vehicle	Total
COST	£'000	£'000	£'000	£'000
At 1 October 2019	40,094	123	25	40,242
Additions	2,898	50	2	2,950
At 30 September 2020	42,992	173	27	43,192
DEPRECIATION				
At 1 October 2019	505	123	16	644
Depreciation charge	-	50	4	54
At 30 September 2020	505	173	20	698
NET BOOK VALUE				
At 1 October 2019	39,589	-	9	39,598
At 30 September 2020	42,487	-	7	42,494

The net book value of fixture, fittings & equipment at 30 September 2020 represents fixed assets used for administration purposes.

9. DEBTORS

	2020 £'000	2019 £'000
Other debtors	3	12
Advance to Centenary Construction	-	79
Prepayments	22	17
	25	108
Loan repayable in more than one year	50	50
	75	158

Notes to the financial statements for the year ended 30 September 2020

10. CREDITORS - amounts falling due within one year

	2020 £'000	2019 £'000
Other Creditors	284	11
Other tax and social security	2	2
Payroll due to employees	3	6
Accruals	51	33
Bank Loan due less than 1 year	39	-
	379	52

11. CREDITORS - amounts falling due in more than one year

		2020 £'000		2019 £'000	
	DUE	2 - 5 YEARS	MORE THAN 5 YEARS	TOTAL	
Loan from Ahmadiyya Muslim Jamaat International	-	32,909	32,909	29,525	
Loan from Lajna Imaillah	-	-	-	2,002	
Bank Loans	132	738	870	946	
	132	33,647	33,779	32,473	

Ahmadiyya Muslim Jamaat International, a registered charity, has provided funds to MSAF. Their objective is to help the poor and needy and providing a reasonable standard of accommodation. MSAF has invested these funds in residential properties. AMJ International retains a formal charge on these properties and its trustees retain the right to charge interest. No interest has been charged for the year ended 30 September 2020 (2019: Nil). The loan is not due for repayment within 12 months from the balance sheet date.

The full amount of the bank loans are secured against properties purchased the value of which is included within freehold land and buildings in note 8.

12. FINANCIAL INSTRUMENTS

	2020 £'000	2019 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	53	141
Carrying amount of financial liabilities		
Measured at amortised cost	34,158	30,523

Notes to the financial statements for the year ended 30 September 2020

13. FUNDS

Year Ended 30 September 2020	Balance b/fwd £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance c/fwd £'000
Unrestricted funds					
Undesignated general funds	120	1,943	(1,295)	-	768
Designated property assets funds	7,116	-	-	-	7,116
Restricted funds	550	-	-	-	550
	7,786	1,943	(1,295)	-	7,786

The transfers are to reflect the balance on the building project fund and additions made to properties in the year

Year Ended 30 September 2019	Balance b/fwd £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance c/fwd £'000
Unrestricted funds					
Undesignated general funds	104	1,342	(929)	(397)	120
Designated fund for building projects	1,674	-	-	(1,674)	-
Designated property assets funds	3,913	-	-	3,203	7,116
Restricted funds	1,682	-	-	(1,132)	550
	7,373	1,342	(929)	-	7,786

ANALYSIS OF NET ASSETS BETWEEN FUNDS Year Ended 30 September 2020

	Unrestricted			Restricted	2020 Total	2019 Total
	Un-designated general funds £'000	Designated funds for building projects £'000	Designated property assets funds £'000	£'000	£'000	£'000
Tangible fixed assets	7	-	42,214	-	42,494	39,598
Current assets	98	-	-	550	648	713
Current liabilities	(340)	-	-	-	(340)	(52)
Long term liabilities	-	-	(34,368)	-	(34,368)	(32,473)
Net assets	(235)	-	7,846	550	8,434	7,786

Notes to the financial statements for the year ended 30 September 2020

13. FUNDS (continued)

Year Ended 30 September 2019

	Unrestricted			Restricted	Total
	Un-designated general funds	Designated funds for building projects	Designated property assets funds		
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	9	-	39,589	-	39,598
Current assets	163	-	-	550	713
Current liabilities	(52)	-	-	-	(52)
Long term liabilities	-	-	(32,473)	-	(32,473)
Net assets	120	-	7,116	550	7,786

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

The designated building project fund are funds utilised by the charity towards their building projects, this includes funds provided by third parties.

The designated property fund represents the amount of unrestricted funds attributable to the charity 's freehold property.

The restricted funds represent a specific donation made by a third party towards a particular property purchase.

14. NET CASH FLOW FROM OPERATIONS

	2020	2019
	£'000	£'000
Net income for year	648	413
Depreciation	54	137
(Increase) in debtors	83	(87)
(Decrease)/Increase in creditors	288	(967)
Interest paid	18	18
Net cash flow from operating activities	1,091	(486)

Notes to the financial statements for the year ended 30 September 2020



15. CAPITAL COMMITMENTS

	2020 £'000	2019 £'000
Authorised but not contracted	-	550

16. RELATED PARTY TRANSACTIONS

No related party transactions occurred during the period (2019: Nil).