

Annual Report for the year ended 30th September 2023

# MIRZA SHARIF AHMAD FOUNDATION



Company Number: 05689730 (England & Wales)  
Charity Number: 1115258

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# TRUSTEES AND ADVISORS

## Board of Trustees

Dr C N Ahmad – Chairman  
M M Ahmad  
Z A Choudhry  
F A K Dahri  
S A Farooqi FCA

## Company Secretary

S A Farooqi FCA

## Registered/Principal Office

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

Tel: +44 (0) 208 544 7602 / 7627-8 Fax: +44 (0) 208 542 8896

Email: [info@msaf.org.uk](mailto:info@msaf.org.uk)  
Web: [www.msaf.org.uk](http://www.msaf.org.uk)

**Registered Charity Number: 1115258**  
**Company Registration Number: 05689730**

## 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 Plc.  
2nd Floor G3,  
2 Cathedral Hill,  
Guildford, GU1 3ZR,  
United Kingdom

# TRUSTEES' REPORT

## OUR OBJECTIVES

### THE OBJECTS FOR WHICH THE CHARITY IS ESTABLISHED ARE:

\* 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 27th January 2006 and governed by its Memorandum and Articles of Association of the 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 £1 in the event that the charity is wound up.

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 disasters, 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 (CONTINUED)

## 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 £2,346k during the year to 30th September 2023 (30th September 2022, £1,925k). £2,560k was expended on the charitable objectives during the year 2023 (30th September 2022, £1,767k). The Charity has had an increase in borrowing to £2,877k (30th September 2022, £1,913k) from Ahmadiyya Muslim Jamaat International as a social investment which was invested mainly in the Islamabad redevelopment project and in 11 other properties (30th September 2022, 11 properties). On 1st January 2022, Mirza Sharif Ahmad Foundation signed a lease agreement with Ahmadiyya Muslim Jamaat International to dispose of Islamabad property. Under this agreement, Mirza Sharif Ahmad Foundation acted as the landlord, while Ahmadiyya Muslim Jamaat International is the tenant for a 99-year lease for a premium of 33 million GBP. This reduced the loan from Ahmadiyya Muslim Jamaat International to 1.9 million.

## Achievements and Performance

- \* The Board is proud to announce that the Charity has successfully achieved its objective of advancement of the Muslim faith by providing free residential accommodation to ministers of religion through 30 properties acquired so far.
- \* The main objectives for future periods are to continue supporting the advancement of the Muslim faith by providing residence to religious scholars and scholarships for higher education.

## Corporate Governance

- \* The governing body of MSAF is the Board of Trustees, which comprises five members. The Board formally met twice during the year and twice after the year-end, but the trustees often meet informally. 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

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

- \* The charity trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (the United Kingdom Generally Accepted Accounting Practice).
- \* Company law requires the charity trustees to prepare financial statements for each year, which 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 charity for that period. In preparing the financial statements, the trustees are required to:
  - Select suitable accounting policies and then 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 material departures disclosed and explained in the financial statements;
  - Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.
- \* The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the Charity's financial position and enabling them to ensure that the financial statements comply with the Companies Act 2006. 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.
- \* The trustees are responsible for maintaining the integrity of the corporate and financial information on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# RISK AND INTERNAL CONTROL

\* The trustees are responsible 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 review its effectiveness. The trustees also recognise 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.

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 that 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	APPROACH
Income is not available from funding.	MSAF to provide properties to Ahmadiyya Muslim Community, and in return, the Community would ensure any related costs are met.
Properties in the portfolio may get damaged.	MSAF has taken out full insurance cover – the properties are maintained and supervised to a high standard and regularly reviewed.



# RESERVES & INVESTMENT

## RESERVES

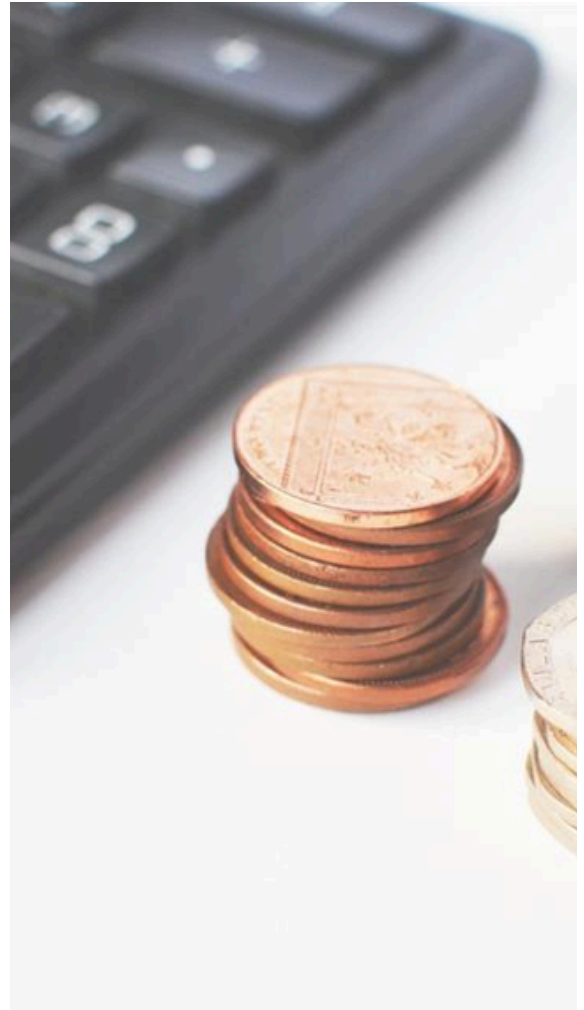
- \* At present, any excess of income over expenditure is retained as unrestricted funds unless received as part of a specific grant or designated to a specific purpose by the trustees.
- \* The balance on undesignated reserves as at 30th September 2023 is £356k (30th September 2022, £100k).
- \* The balance on designated social investment funds as at 30th September 2023, is £9,320k (30th September 2022, £9,310k). This balance has been designated to reflect the external investment by a third party.
- \* The restricted reserves of £Nil (30th September 2022, £Nil) are those allocated explicitly 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 2023 would equate to £195k.

## INVESTMENT

- \* Investment decisions are taken by the Board of Trustees, and funds are invested in properties.

## PLANS FOR THE FUTURE

- \* We aim to establish a robust portfolio of properties that offers sustainable and economical housing options to our organisation's employees. Our goal is to expand our property holdings to meet the increasing demand because we believe that housing is more than brick and mortar. To achieve this, we, on a continuous basis, search the market for suitable properties and invest resources to acquire them. Our focus is not only on expanding our portfolio but also on maximising community satisfaction. Our enlightened strategies allow us to support the well-being of our community by spending conscientiously.



## SOCIAL INVESTMENT

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

## GRANTMAKING POLICIES

- \* The trustees award grants to other charities with similar objectives and the Ahmadiyya Muslim Community both in 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.

## AUDITOR

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

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE 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 they should have taken as trustees 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  
20th June 2024 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 (MSAF) (the 'charitable company') for the year ended 30th September 2023 which comprise the Statement of Financial Activities (incorporating an income and expenditure account), the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including 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 30th September 2023 and of the company'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 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



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 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIRZA SHARIF AHMAD FOUNDATION

- \* Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

- \* The other information comprises the information included in the Annual Report other than the financial statements and our auditor's 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, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - The Directors' Report included within the Trustees' Report have 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIRZA SHARIF AHMAD FOUNDATION

## 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 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.
- Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

## RESPONSIBILITIES OF TRUSTEES



As explained more fully in the Statement of Trustees' responsibilities set out on page 7, 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIRZA SHARIF AHMAD FOUNDATION

## THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

\* Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

\* In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

\* However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

\* As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document and tax legislation. We performed audit procedures to detect noncompliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIRZA SHARIF AHMAD FOUNDATION

- \* The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.
- \* A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## USE OF OUR REPORT

- \* This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

*Kerry Gallagher*

- \* 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  
24/06/24

# Statement of Financial Activities (incorporating Income and Expenditure Account) for the year ended 30 September 2023

		Unrestricted Funds	Total Funds to 2023	Total Funds to 2022
<b>INCOME FROM:</b>	Note	£ '000	£ '000	£ '000
Donations and legacies	2	2,307	2,307	1,925
Other trading activities	3	519	519	448
<b>TOTAL INCOME</b>		2,826	2,826	2,373
<b>EXPENDITURE ON:</b>				
Charitable activities	4	2,560	2,560	1,767
<b>TOTAL EXPENDITURE</b>		2,560	2,560	1,767
<b>NET INCOME BEFORE TRANSFERS</b>		266	266	606
<b>GROSS TRANSFERS BETWEEN FUNDS</b>		-	-	-
<b>NET MOVEMENT IN FUNDS</b>		266	266	606
<b>RECONCILIATION OF FUNDS</b>				
Total funds at 1 October 2022		9,410	9,410	8,804
<b>Total funds at 30 September 2023</b>		9,676	9,676	9,410



# Statement of Financial Position for the year ended 30 September 2023

Company number 5689730

		As at 30 September 2023	As at 30 September 2022
	Note	£ '000	£ '000
<b>FIXED ASSETS</b>			
Tangible assets	8	13,101	12,098
<b>CURRENT ASSETS</b>			
Debtors	9	314	95
Cash at bank and in hand		59	52
		373	147
<b>CREDITORS: amounts falling due within one year</b>	10	(171)	(139)
<b>NET CURRENT ASSETS</b>		202	8
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>13,303</b>	<b>12,106</b>
<b>CREDITORS: amounts falling due after more than one year</b>	11	(3,627)	(2,696)
<b>NET ASSETS</b>		<b>9,676</b>	<b>9,410</b>
<b>FUNDS</b>			
Unrestricted Funds			
Undesignated general funds	13	356	100
Designated property assets funds	13	9,320	9,310
		<b>9,676</b>	<b>9,410</b>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and have been approved on 20th June 2024 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 2023

		2023 £'000	2022 £'000
	Notes		
<b>Cash inflow from operating activities:</b>			
Net cash used in operating activities	14	132	695
Interest paid		(18)	(24)
		114	671
<b>Cash flow from investing activities:</b>			
Purchase of tangible fixed assets		(1,053)	(960)
Disposal of Tangible fixed assets		15	-
Net cash used in investing activities		(1,038)	(960)
<b>Cash flow from financing activities:</b>			
Proceeds of new borrowings (social investment)		964	369
Proceeds of new borrowings (Other loans)		-	-
Proceeds of new borrowings (bank loan)		(33)	(35)
Net cash used in financing activities		931	334
Net increase / (decrease) in cash and cash equivalents		7	45
Cash and cash equivalents brought forward		52	7
Cash and cash equivalents carried forward		59	52
<b>Relating to:</b>			
Cash at bank and in hand		59	52
Total		59	52

## Notes to the financial statements for the year ended 30 September 2023

### 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 October 2019 (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 £9,676k 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.

### 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 years
Plant and Machinery	4 years

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.

No depreciation is provided on freehold land.

Depreciation is not provided on freehold buildings as the residual value is deemed to render any depreciation charge immaterial.

### 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.

## Notes to the financial statements for the year ended 30 September 2023

### **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.

### **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.



## Notes to the financial statements for the year ended 30 September 2023

### JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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:

#### 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.

The trustees do not consider any of these judgements or estimations to have any significant effect on the financial statements.

## 2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£'000	£'000	£'000	£'000
Donations from institutions and individuals	2,307	-	2,307	1,925

In the year to 30 September 2023, £Nil donations (2022: £Nil) from institutions and individuals were restricted.

	2023	2022
	£'000	£'000
Donations and legacies are split as follows:		
Income from UK sources	2,307	1,925

## 3 OTHER TRADING ACTIVITIES

	2023	2022
	£'000	£'000
Rent receivable	510	448
Profit on Disposal of Fixed Assets	9	-
	519	448

## Notes to the financial statements for the year ended 30 September 2023

### 4 CHARITABLE ACTIVITIES

	Activities undertaken directly	Grant funding of activities	Support costs	Total Cost 2023	Total Cost 2022
	£'000	£'000	£'000	£'000	£'000
1. Propagation of Islam worldwide	243	2,066	246	2,555	1,763
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	-	5	-	5	4
<b>Total charitable expenditure</b>	<b>243</b>	<b>2,071</b>	<b>246</b>	<b>2,560</b>	<b>1,767</b>

	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6	T total
Activities undertaken directly	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Central properties	243	-	-	-	-	-	243
<b>Total payable for the year ended 30 September 2023</b>	<b>243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243</b>
<b>Total payable for the year ended 30 September 2022</b>	<b>320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320</b>

	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6	T total
Grant funding of activities	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ahmadiyya Muslim Jamaat International	1,876	-	-	-	-	-	1,876
Ahmadiyya Muslim Association, United Kingdom	190	-	-	-	-	-	190
Grants to individuals	-	-	-	-	-	5	5
<b>Total payable for the year ended 30 September 2023</b>	<b>2,066</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>2,071</b>
<b>Total payable for the year ended 30 September 2022</b>	<b>1,179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>1,183</b>

	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6	T total
Support costs	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Management	107	-	-	-	-	-	107
Administration	139	-	-	-	-	-	139
<b>Total payable for the year ended 30 September 2023</b>	<b>246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246</b>
<b>Total payable for the year ended 30 September 2022</b>	<b>264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264</b>

Of the total charitable expenditure in the year to 30 September 2023, £684,000 was attributable to unrestricted funds and £nil to restricted funds. Included within support costs are governance costs amounting to £9,000 (2022: £9,000). These costs are apportioned on the total cost of each activity.

### 5 AUDITOR'S REMUNERATION

The auditor's remuneration amounted to £22,250 (2022: £21,000). The remuneration received for non audit services amounted to £nil (2022: £2,484).

## Notes to the financial statements for the year ended 30 September 2023

### 6 STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2023	2022
	£'000	£'000
Wages and salaries	101	123
National Insurance	5	4
Pension	1	1
	<b>107</b>	<b>128</b>

The average number of employees during the year was 4 (2022: 4). During the year 3 (2022: 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.

### 8 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Plant & machinery	Fixtures, fittings & equipment	Motor vehicle	Total
	£'000	£'000	£'000	£'000	£'000
<b>COST</b>					
At 1 October 2022	12,511	119	249	53	12,932
Additions	1,000	-	-	53	1,053
Disposal	-	-	-	(23)	(23)
At 30 September 2023	13,511	119	249	83	13,962
<b>DEPRECIATION</b>					
At 1 October 2022	505	52	246	31	834
Depreciation charge	-	30	3	11	44
Disposal	-	-	-	(17)	(17)
At 30 September 2023	505	82	249	25	861
<b>NET BOOK VALUE</b>					
At 1 October 2022	12,006	67	3	22	12,098
<b>At 30 September 2023</b>	<b>13,006</b>	<b>37</b>	<b>-</b>	<b>58</b>	<b>13,101</b>

The net book value of fixture, fittings & equipment at 30 September 2023 represents fixed assets used for administration purposes.

# Notes to the financial statements for the year ended 30 September 2023

## 9 DEBTORS

	2023	2022
	£'000	£'000
Other debtors	57	4
Advance to staff	1	1
Accrued Income	162	-
Prepayments	44	40
	264	45
Loan repayable in more than one year	50	50
	314	95

## 10 CREDITORS - amounts falling due within one year

	2023	2022
	£'000	£'000
Other Creditors	11	10
Other tax and social security	5	4
Payroll due to employees	(4)	3
Accruals	100	63
Bank Loan due less than 1 year	59	59
	171	139

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

	2023	2022
	£'000	£'000
	DUE	
	2 - 5 YEARS	MORE THAN 5 YEARS
	Total	
Loan from Ahmadiyya Muslim Jamaat International	-	2,877
Bank Loans	750	-
	750	2,877
	2,877	2,877

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 2023 (2022: 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

	2023	2022
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	270	55
Carrying amount of financial liabilities		
Measured at amortised cost	3,798	2,835

# Notes to the financial statements for the year ended 30 September 2023

## 13 FUNDS

### Year Ended 30 September 2023

	Balance b/fwd	Incoming Resources	Outgoing Resources	Transfers	Balance c/fwd
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds</b>					
Undesignated general funds	100	2,826	(2,560)	(10)	356
Designated fund for building projects	-	-	-	-	-
Designated property assets funds	9,310	-	-	10	9,320
	9,410	2,826	(2,560)	-	9,676

### Year Ended 30 September 2022

	Balance b/fwd	Incoming Resources	Outgoing Resources	Transfers	Balance c/fwd
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds</b>					
Undesignated general funds	109	2,373	(1,767)	(615)	100
Designated property assets funds	8,695	-	-	615	9,310
	8,804	2,373	(1,767)	-	9,410

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

# Notes to the financial statements for the year ended 30 September 2023

## 13 FUNDS (continued)

### ANALYSIS OF NET ASSETS BETWEEN FUNDS

#### Year Ended 30 September 2023

	Unrestricted		2023	2022
	Un-designated general funds	Designated property assets funds	Total	Total
	£'000	£'000	£'000	£'000
Tangible fixed assets	95	13,006	13,101	12,098
Long term Investments	-	-	-	-
Current assets	373	-	373	147
Current liabilities	(112)	(59)	(171)	(139)
Long term liabilities	-	(3,627)	(3,627)	(2,696)
Net assets	356	9,320	9,676	9,410

#### Year Ended 30 September 2022

	Unrestricted		2022	2021
	Un-designated general funds	Designated property assets funds	Total	Total
	£'000	£'000	£'000	£'000
Tangible fixed assets	92	12,006	12,098	44,186
Long term Investments	-	-	-	-
Current assets	147	-	147	111
Current liabilities	(139)	-	(139)	(131)
Long term liabilities	-	(2,696)	(2,696)	(35,362)
Net assets	100	9,310	9,410	8,804

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.



## Notes to the financial statements for the year ended 30 September 2023

### 14 NET CASH FLOW FROM OPERATIONS

	2023	2022
	£'000	£'000
Net income for year	266	606
Profit on disposal of Non-Current Assets	(9)	
Depreciation	44	48
Decrease / (Increase) in debtors	(219)	9
Increase / (Decrease) in creditors	32	8
Interest paid	18	24
Net cash flow from operating activities	132	695

### 15 CONSOLIDATED ANALYSIS OF CHANGES IN NET DEBT

	1st October 2022	Cashflow	30th September 2023
	£'000	£'000	£'000
Current Bank Borrowings	59	-	59
Non-Current Bank Borrowings	783	(33)	750
Total liabilities	842	(33)	809

### 16 Related Party Transactions

No related party transactions occurred during the period (2022: Nil).