

Charity registration number 1122264 (England and Wales)

Company registration number 06391353

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Khoja M A Railey F Bandali S Hassam H Elias H Jaffer M Janmohamed H Asaria
Secretaries	F Bandali H Jaffer
Charity number	1122264
Company number	06391353
Registered office	17 Clifton Road Balsall Heath Birmingham B12 8SX
Auditor	Deitch Cooper LLP 3 Hobbs House Harrovian Business Village Bessborough Road Harrow Middlesex HA1 3EX

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

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KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Income Funds's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The principal object of the Charity is the advancement, preservation and welfare of Islam in accordance with the doctrines of the Shia Ithna-Asheri Jafari faith and this is achieved through offering educational opportunities in the context of nursery, secular and religion education facilities.

The Charity provides a range of community activities including classes, seminars and a day nursery.

The wholly owned subsidiary of the Charity manages letting of various residential properties held by the Charity as investment property. The Charity also holds additional investment properties which are let to commercial tenants.

The Trustees have paid due regard to guidance issued by the Charity Commission, including its supplementary public benefit guidance on the advancement of religion, in deciding what activities the Income Funds should undertake.

Achievements and performance

During the year the Charity provided the following educational facilities and activities:

Muhammadi Madrasah

- Teaching of Islamic Ethics, Law, Recitation of Quran and History
- Average number of participating children from primary to secondary ages was 450
- Activities included MMY Camp, Teacher Training, RSE, Orphanage visit and Mahe Ramadhan Activities.

Muhammadi Nursery

- We provide good care and education for our young children in an inclusive, nurturing environment which incorporates both EYFS CURRICULLUM and Islamic teachings. where all the children including children with SEND feel a sense of belonging and are happy engaging in a varied range of learning opportunities, make friendships, practice Islamic learning, values and placing a high regard on mutual respect, rules and boundaries.

- Currently with the new Inspection framework, we have a, 'Good' rating judgement overall and particularly proud of an 'Outstanding' grading in personal, social and emotional development of children which is the foundation to all areas of Learning

- Islamic aspect of mutual respect is embedded in our setting and children are engaged in group discussions and activities in celebrating multicultural festivals such as Eid, Christmas, Chinese New Year, Diwali, Hanuka.

- We are proud to have a multilingual staff team. Staff have attended numerous online courses throughout the academic year to further develop their knowledge, skills and understanding of the current changes to the legislation in Early Years and Early Years foundation stage Curriculum.

ME School of Excellence and Examination Centre

- 80 pupils average during the year
- we offer 95% of all GCSE and A Level exams under the following boards OCR, Edexcel, AQA and WJEC
- 75% of our students securing a Grammar School place
- All GCSE students gained over grade 4 including several level 9 passes in English and Chemistry.

The syllabus and scheme of work developed for Key Stage I and II, in addition, to the bespoke 11+ course and test material, is consistently reviewed and updated in line with the National Curriculum. In Secondary and A Level, MES offer English, Mathematics and all three Sciences from Year 7 to AS2, as well as iGSCE English to students from Year 9 and controlled science experiments.

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

The results for the year are shown on the Statement of Financial Activities and in the notes to the financial statements. The gross receipts of the Charity were £680,827 (2023: £642,902). Income from investment properties has increased compared to last year whilst income from charitable activities has remained consistent with last year. During the year, the fair value of investment properties decreased by £1,000,640 (2023: £1,195,811 increase). The charity made an overall net deficit for the year of £869,506 (2023: £1,281,376 surplus). Income received during the accounting period exceeded expenditure however temporary downward revaluations in the market value of the properties owned by the group have had an impact on the overall movement for the year in unrestricted funds.

Unrestricted funds of £2,866,656 (2023: £3,736,162) have been carried forward to forthcoming years. The Charity held no restricted funds or endowment funds during the year.

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

The Trustees keep under regular review the major risks to which the Charity is exposed, to ensure that steps are taken to mitigate those risks as far as possible.

Structure, governance and management

The Income Funds is a charitable company limited by guarantee. The Charity was set up and is constituted by a Memorandum of Association dated 5 October 2007.

The Charity is affiliated to the Khoja Shia Ithna-Asheri Muslim Community of Birmingham.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

M Khoja	
T Jivraj	(Resigned 26 July 2024)
I Ramji	(Resigned 26 July 2024)
M A Railey	
F Bandali	
S Hassam	
I Janmohamed	(Resigned 26 July 2024)
H Elias	
H Jaffer	(Appointed 26 July 2024)
M Janmohamed	(Appointed 26 July 2024)
H Asaria	(Appointed 26 July 2024)

The Trustees are appointed in accordance with the Articles of Association at the Annual General Meeting, or by the Trustees should a vacancy arise during the year. There must be a minimum of two Trustees and one third are required to retire by rotation each year but may stand for re-election should they be eligible.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Trustees meet regularly to manage strategy and the organisation. The day to day operations for the different educational activities are delegated to nominated individuals. The management of residential investment properties is undertaken by Khoja Shia Ithna-Asheri Muslim Community (Jaaferi) Limited ("Jaaferi"), the wholly owned subsidiary of the charitable company.

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Khoja Shia Ithna-Asheri Muslim Community (Baquir) Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

H Elias
Trustee

Signed by:



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16 September 2025

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

Opinion

We have audited the financial statements of Khoja Shia Ithna-Asheri Muslim Community (Baquir) Limited (the 'Income Funds') for the year ended 31 December 2024 which comprise the statement of financial activities, the statement of financial position 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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 Income Funds 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 Income Funds's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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.

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within 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 Income Funds and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Income Funds for the purpose 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 Income Funds'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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of journals.

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates including those that relate generally to the operating aspects of the business. There are many laws and regulations, relating principally to the operating aspects of the company, that typically do not affect the financial statements and as such are not captured by the entity's information systems relevant to financial reporting. It is the responsibility of management to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations. The auditor is not responsible for preventing non-compliance and we cannot be expected to detect non-compliance with all laws and regulations. Representations were obtained from the board of directors that there is no identified or suspected non-compliance with any laws and regulations.

Our audit procedures focused on laws and regulations that are generally recognised to have a material effect on the financial statements or a direct effect on the determination of material amounts and disclosures, including the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011. We considered the risk of acts by the company that may be contrary to these laws and regulations, including fraud. We assessed the extent of compliance with the laws and regulations identified through making enquiries of management and inspecting documentation and the audit team remained alert to instances of non-compliance with laws and regulations throughout the audit. Any unusual findings were investigated.

Significant audit attention was paid to judgements and accounting estimates in relation to all property valuations and recoverability of debtors, including the related disclosures in the financial statements. As in all of our audits, we also addressed the risk of management override of internal controls including testing and evaluation of whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We completed a review of transactions and journals taken from throughout the period. We have nothing to report in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Mohamedkazim Bhaloo (Senior Statutory Auditor)
for and on behalf of Deitch Cooper LLP

16 September 2025

Accountants
Statutory Auditor

3 Hobbs House
Harrovia Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Unrestricted funds 2023 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	3,000	23,290
Charitable activities	4	299,995	266,110
Investments	5	377,832	353,502
Total income		680,827	642,902
<u>Expenditure on:</u>			
Cost of raising funds	6	311,348	308,039
Charitable activities	7	238,345	249,298
Total expenditure		549,693	557,337
Revaluation of investment properties	11	(1,000,640)	1,195,811
Net (expenditure)/income for the year/ Net movement in funds		(869,506)	1,281,376
Fund balances at 1 January 2024		3,736,162	2,454,786
Fund balances at 31 December 2024		2,866,656	3,736,162

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		6,014		15,091
Investment property	14		5,837,360		6,838,000
Investments	15		1		1
			<u>5,843,375</u>		<u>6,853,092</u>
Current assets					
Debtors	16	288,995		136,429	
Cash at bank and in hand		327,651		340,118	
		<u>616,646</u>		<u>476,547</u>	
Creditors: amounts falling due within one year	18	(201,913)		(153,959)	
Net current assets			<u>414,733</u>		<u>322,588</u>
Total assets less current liabilities			<u>6,258,108</u>		<u>7,175,680</u>
Creditors: amounts falling due after more than one year	19	(3,391,452)		(3,439,518)	
Net assets excluding pension liability			<u>2,866,656</u>		<u>3,736,162</u>
Net assets			<u><u>2,866,656</u></u>		<u><u>3,736,162</u></u>
Income funds					
Unrestricted funds			<u>2,866,656</u>		<u>3,736,162</u>
			<u><u>2,866,656</u></u>		<u><u>3,736,162</u></u>

The financial statements were approved by the Trustees on 16 September 2025

M Khoja
Trustee

DocuSigned by:

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H Elias
Trustee

Signed by:

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Company registration number 06391353 (England and Wales)

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Khoja Shia Ithna-Asheri Muslim Community (Baquir) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 Clifton Road, Balsall Heath, Birmingham, B12 8SX.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Income Funds's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Income Funds is a Public Benefit Entity as defined by FRS 102.

The Income Funds has taken advantage of the provisions in the Charities SORP for charities not to prepare a Statement of Cash Flows.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 (effective 1 January 2019) rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

These financial statements are separate company financial statements of the Charity and not of its group. The Charity is part of a wider group and consolidated financial statements are prepared which include the Charity and its group.

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the Income Funds has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Legacies are recognised on receipt or otherwise if the Income Funds has been notified of an impending distribution, the amount is known, and receipt is expected.

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Fixtures and fittings	25% Straight line
Equipment	25% Straight line

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

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Investment properties rented to another group entity are accounted for using the cost model. Other investment properties are subsequently measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income and expenditure account.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Income Funds. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

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

1.10 Cash and cash equivalents

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

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.11 Financial instruments

The Income Funds has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Income Funds's balance sheet when the Income Funds becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the Income Funds's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Income Funds is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

In the application of the charity'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. They are based on historical experience and any other factors that may be relevant and are believed to be reasonable. Estimates and judgements are continually evaluated. If estimates and judgements are subsequently revised, revisions to accounting estimates are recognised as arising in the financial reporting period in which the estimate is revised.

The principal areas involving significant accounting estimates or judgements are the estimation of fair values of investment properties (note 14) and the recoverability of amounts reported within debtors as owed to the charity (note 16). The Trustees consider these estimates to be reliable however actual results may differ from these estimates and revisions to these estimates to reflect actual results may arise in a subsequent financial reporting period.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	3,000	23,290

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Secular Education		
Income from charitable activities	77,326	81,282
Madressa Fees		
Income from charitable activities	64,991	54,438
Nursery Fees		
Income from charitable activities	157,678	130,390
	299,995	266,110

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	377,832	353,502

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

6 Cost of raising funds

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Investment property costs		
Share of governance costs	2,043	838
Property management agents	4,578	5,200
Depreciation and impairment	5,389	5,750
Support costs	299,338	296,251
Investment property costs	311,348	308,039
	311,348	308,039

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Expenditure on charitable activities

	Secular Education	Madressa	Nursery	Total	Secular Education	Madressa	Nursery	Total
	2024	2024	2024	2024	2023	2023	2023	2023
	£	£	£	£	£	£	£	£
Staff costs	30,606	-	107,675	138,281	19,671	-	91,727	111,398
Depreciation and impairment	1,182	835	4,416	6,433	1,254	835	4,705	6,794
Activities undertaken directly	18,020	49,876	7,240	75,136	28,718	65,080	6,791	100,589
	<u>49,808</u>	<u>50,711</u>	<u>119,331</u>	<u>219,850</u>	<u>49,643</u>	<u>65,915</u>	<u>103,223</u>	<u>218,781</u>
Share of support costs (see note 9)	4,305	4,038	4,025	12,368	3,193	3,374	21,438	28,005
Share of governance costs (see note 9)	2,042	2,043	2,042	6,127	837	838	837	2,512
	<u>56,155</u>	<u>56,792</u>	<u>125,398</u>	<u>238,345</u>	<u>53,673</u>	<u>70,127</u>	<u>125,498</u>	<u>249,298</u>

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

8 Support costs allocated to activities

	Total 2024 £	Total 2023 £
Operating lease charges	2,830	1,635
Premises	66,168	94,765
General office costs	5,178	4,750
Finance costs	213,869	200,899
Insurance	10,240	10,620
SZ premises costs	1,292	615
Legal and professional	3,400	4,400
Bank charges	1,077	1,473
Promotion and marketing	865	440
Bad debts	6,787	4,659
Governance	8,170	3,350
	<u>319,876</u>	<u>327,606</u>
	2024	2023
	£	£
Governance costs comprise:		
Audit fees	8,170	3,350
	<u>8,170</u>	<u>3,350</u>

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	11	11
	<u>11</u>	<u>11</u>
	2024	2023
	£	£
Employment costs		
Wages and salaries	137,455	110,779
Other pension costs	826	619
	<u>138,281</u>	<u>111,398</u>

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Employees

(Continued)

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

11 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investment properties	(1,000,640)	1,195,811

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2024	76,611	50,668	127,279
Additions	-	2,745	2,745
At 31 December 2024	76,611	53,413	130,024
Depreciation and impairment			
At 1 January 2024	62,564	49,624	112,188
Depreciation charged in the year	10,778	1,044	11,822
At 31 December 2024	73,342	50,668	124,010
Carrying amount			
At 31 December 2024	3,269	2,745	6,014
At 31 December 2023	14,047	1,044	15,091

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

14 Investment property

	2024 £
Fair value	
At 1 January 2024	6,838,000
Net gains or losses through fair value adjustments	(1,000,640)
	<hr/>
At 31 December 2024	5,837,360
	<hr/> <hr/>

Investment properties are carried at their fair value at the reporting date. At the end of each reporting period, the Board of Trustees updates its assessment of the fair values of properties owned by the charity, taking account of the most recent valuations by external, independent and qualified valuers. The fair value adjustments form part of the surplus or deficit for the year on unrestricted funds. The most recent external independent valuation of these investment properties was performed as at 31 December 2024.

The investment property fair value estimates as at 31 December 2024 are based on capitalised income projections, based on a property's estimated rental income from its current tenants, and a capitalisation rate of 10% determined by a Chartered Surveyor. The property values provided by the Chartered Surveyor are also aggregated by location rather than providing a separate value for each property. The Chartered Surveyors engaged by the Trustees to assess market value reported that this drive-by valuation technique is an indicative guide of market value of the freehold interests based on limited information and is not a formal valuation. In the opinion of the Board of Trustees, these desktop values provide a reliable fair value of investment properties.

15 Fixed asset investments

	Other investments £
Cost or valuation	
At 1 January 2024 & 31 December 2024	1
	<hr/>
Carrying amount	
At 31 December 2024	1
	<hr/> <hr/>
At 31 December 2023	1
	<hr/> <hr/>

	2024 £	2023 £
Other investments comprise:		
	Notes	
Investments in subsidiaries	22	
	1	1
	<hr/> <hr/>	<hr/> <hr/>

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	69,909	29,287
Amounts owed by fellow group undertakings	183,172	95,822
Other debtors	35,914	2,570
Prepayments and accrued income	-	8,750
	<u>288,995</u>	<u>136,429</u>

17 Loans and overdrafts

	2024 £	2023 £
Bank loans	<u>2,680,452</u>	<u>2,722,518</u>
Payable within one year	42,000	36,000
Payable after one year	<u>2,638,452</u>	<u>2,686,518</u>

The long-term bank loan represents an interest-only mortgage relating to certain investment properties, repayable other than by instalments. A market rate of interest is charged until the loan is repaid.

Bank loans are secured by way of charges over investment properties owned by the group.

18 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	17	42,000	36,000
Trade creditors		3,614	5,935
Amount owed to parent undertaking		115,209	72,900
Other creditors		28,514	28,104
Accruals and deferred income		12,576	11,020
		<u>201,913</u>	<u>153,959</u>

19 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	17	2,638,452	2,686,518
Amount owed to parent undertaking		753,000	753,000
		<u>3,391,452</u>	<u>3,439,518</u>

KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY (BAQUIR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	3,736,162	680,827	(549,693)	(1,000,640)	2,866,656
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	2,454,786	642,902	(557,337)	1,195,811	3,736,162
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Related party transactions

The company has taken advantage of the exemption available whereby it has not disclosed transactions with the ultimate parent undertaking or any wholly owned subsidiary undertaking of the group.

22 Subsidiaries

These financial statements are separate company financial statements of the Charity and not of its group.

Separate company financial statements of the Charity are required to be prepared by law. The Charity is exempt by virtue of the Companies Act 2006 from the requirement to prepare group accounts. Separate consolidated financial statements which include the Charity and all its subsidiaries are prepared and publicly available.

Details of the Charity's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Khoja Shia Ithna-Asheri Community (Jaaferi) Limited	United Kingdom	Property rental business	Ordinary	100.00	

Investments in subsidiaries are all stated at cost.

23 Ultimate controlling party

The ultimate controlling party is the Khoja Shia Ithna-Asheri Muslim Community of Birmingham (UK registered charity no. 1170675), whose principal place of business is 17 Clifton Road, Balsall Heath, Birmingham, B12 8SX. The Khoja Shia Ithna-Asheri Muslim Community of Birmingham prepares publicly available group accounts in which the Charity is consolidated.