

Charity registration number: 1132783

Kanz ul Huda

Annual Report and Financial Statements
for the Year Ended 31 October 2022

Kanz ul Huda

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 3
Statement of Trustees' Responsibilities	4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 12

Kanz ul Huda

Reference and Administrative Details

Trustees	Saqib Iqbal Mohammed Habib Anila Nazir
Principal Office	Unit 7-8 Saltley Industrial Centre Adderley Road Birmingham B8 1AW
Charity Registration Number	1132783
Independent Examiner	Nasir Rafiq Dua Governance Bradford Court 123-131 Bradford Street Digbeth Birmingham B12 0NS

Kanz ul Huda

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 October 2022.

Objectives and activities

Objects and aims

The governing scheme defines the charity's objects as being to:

1. To promote the teachings and tenets of Islam, through worship, rites of passage, and provision of facilities for Islamic education in accordance with the teachings of the holy Qur'an and the Sunnah of the Prophet Muhammad (PBUH) as defined by imams and scholars of the Sunni Hanafi-Barelwi school of thought of the Asian subcontinent.
2. To advance education for the public benefit by providing scriptural, cultural and spiritual educational activities as well as organising educational supplementary support and facilitating language classes.
3. The prevention or relief of poverty or financial hardship anywhere in the world by providing or assisting in the provision of education, training, healthcare, food, basic necessities, clean water, shelter projects and all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient.
4. To provide facilities for recreation or other leisure-time occupation to those in need by reason of their youth, age, infirmity, disability, financial hardship or social and economic circumstances.
5. To promote knowledge and mutual understanding and respect of the beliefs and practices of different religious faiths to the public highlighting shared values and common interests.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Kanz ul Huda have been providing many services for the benefit of the local community.

A foodbank was put into action following the covid-19 lockdown. This supported over 300 families and individuals that were in dire need as well as supporting other organisations and charities. We provided more than 8,000 free meals.

Our revival gatherings continue on a weekly basis. This is attended by more than 150 members of Kanz ul Huda from across the UK. The purpose for the gatherings is to motivate and spiritually enhance the community and to increase in Islamic knowledge.

We have also had other gatherings throughout the year. Monthly Ghiyarve Islamic gatherings which is attended by more than 250 people from the community. We also held Taraweeh prayer (night prayer) where attendance ranged from approx. 100 to 300 people. Finally, we held Eid prayers which was attended by approx. 300 people.

Kanz ul Huda

Trustees' Report

Financial review

During the period of 2022, the Charity's total income was £489.9k (2021: £64.9k) of which £322k is for the new mosque project, £51.9k relates to Zakat donations and £17.2k is for Pakistan flood relief. Total expenditure incurred was £43.5k (2021: £2.2k). The carried forward reserves stand at £680k (2021: £233.7k).

Plans for future periods

Aims and key objectives for future periods

Kanz ul Huda future plans include the expansion of our current courses as well as introducing new courses and modules. We aim to increase our outreach programmes, focusing on youth development in our local community. We also aim to make renovations to our Wudhu facilities.

Structure, governance and management

Nature of governing document

The charity is an unincorporated charity, formed under a trust deed on the 23 October 2009. The Charity registered with the Charity Commission on the 19 November 2009.

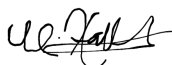
Trustees are legally responsible for the governance and management of the charity. There are three founding Trustees that are appointed for life. Trustees are responsible for setting strategies and policies and ensuring these are implemented.

Risk management-

The charity's trustees have considered the major risks to which the charity is exposed and have reviewed potential risks. Systems and procedures have been put in place to manage the risks and to mitigate any adverse outcomes.

30 August 2023

The annual report was approved by the trustees of the charity on and signed on its behalf by:



.....
Mohammed Habib
Trustee

Kanz ul Huda

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 of the charity for that period. 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 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 business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

30 August 2023

Approved by the trustees of the charity on and signed on its behalf by:



.....
Mohammed Habib
Trustee

Kanz ul Huda

Independent Examiner's Report to the trustees of Kanz ul Huda

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 October 2022 which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

As the charity's trustees of Kanz ul Huda you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Kanz ul Huda's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since Kanz ul Huda's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

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

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

Nasir Rafiq

.....
Nasir Rafiq
ICAEW

Dua Governance
Bradford Court
123-131 Bradford Street
Digbeth
Birmingham
B12 0NS

30 August 2023

Date:.....

Kanz ul Huda**Statement of Financial Activities for the Year Ended 31 October 2022**

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies		97,560	392,292	489,852
Expenditure on:				
Charitable activities		<u>(35,472)</u>	<u>(8,025)</u>	<u>(43,497)</u>
Total expenditure		<u>(35,472)</u>	<u>(8,025)</u>	<u>(43,497)</u>
Net income		<u>62,088</u>	<u>384,267</u>	<u>446,355</u>
Net movement in funds		62,088	384,267	446,355
Reconciliation of funds				
Total funds brought forward		<u>209,064</u>	<u>24,632</u>	<u>233,696</u>
Total funds carried forward	10	<u><u>271,152</u></u>	<u><u>408,899</u></u>	<u><u>680,051</u></u>

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies		<u>64,939</u>	<u>-</u>	<u>64,939</u>
Total income		<u>64,939</u>	<u>-</u>	<u>64,939</u>
Expenditure on:				
Charitable activities		<u>(2,243)</u>	<u>-</u>	<u>(2,243)</u>
Total expenditure		<u>(2,243)</u>	<u>-</u>	<u>(2,243)</u>
Net income		<u>62,696</u>	<u>-</u>	<u>62,696</u>
Net movement in funds		62,696	-	62,696
Reconciliation of funds				
Total funds brought forward		<u>146,368</u>	<u>24,632</u>	<u>171,000</u>
Total funds carried forward	10	<u><u>209,064</u></u>	<u><u>24,632</u></u>	<u><u>233,696</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 10.

Kanz ul Huda**(Registration number: 1132783)
Balance Sheet as at 31 October 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	7	8,523	-
Current assets			
Cash at bank and in hand	8	674,028	233,696
Creditors: Amounts falling due within one year	9	<u>(2,500)</u>	<u>-</u>
Net current assets		<u>671,528</u>	<u>233,696</u>
Net assets		<u>680,051</u>	<u>233,696</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		408,899	24,632
Unrestricted income funds			
Unrestricted funds		<u>271,152</u>	<u>209,064</u>
Total funds	10	<u>680,051</u>	<u>233,696</u>

30 August 2023

The financial statements on pages 6 to 12 were approved by the trustees, and authorised for issue on
and signed on their behalf by:



.....
Mohammed Habib
Trustee

Kanz ul Huda

Notes to the Financial Statements for the Year Ended 31 October 2022

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Kanz ul Huda meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Kanz ul Huda

Notes to the Financial Statements for the Year Ended 31 October 2022

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	Straight line - 20%

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Kanz ul Huda

Notes to the Financial Statements for the Year Ended 31 October 2022

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations from individuals	97,560	392,292	489,852	64,939
	<u>97,560</u>	<u>392,292</u>	<u>489,852</u>	<u>64,939</u>

3 Expenditure on charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Consultancy fees	12,860	12,860	-
Repairs and maintenance	8,382	8,382	-
Charitable donations	8,025	8,025	-
Office expenses	4,422	4,422	414
Independent examiner fee	2,500	2,500	1,080
Legal and professional fees	2,380	2,380	-
Depreciation of fixtures and fittings	2,131	2,131	-
Cleaning and waste removals	1,262	1,262	-
Light, heat and power	715	715	750
Sundry expenses	459	459	-
Printing, postage and stationery	361	361	-
	<u>43,497</u>	<u>43,497</u>	<u>2,244</u>

4 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £
Independent examiner fees		
Examination of the financial statements	2,500	2,500
	<u>2,500</u>	<u>2,500</u>

Kanz ul Huda

Notes to the Financial Statements for the Year Ended 31 October 2022

5 Independent examiner's remuneration

	2022 £
Examination of the financial statements	2,500

6 Taxation

The charity is a registered charity and is therefore exempt from taxation.

7 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
Additions	10,654	10,654
At 31 October 2022	10,654	10,654
Depreciation		
Charge for the year	2,131	2,131
At 31 October 2022	2,131	2,131
Net book value		
At 31 October 2022	8,523	8,523

8 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	2,788	-
Cash at bank	671,240	233,696
	674,028	233,696

9 Creditors: amounts falling due within one year

	2022 £
Accruals	2,500

Kanz ul Huda

Notes to the Financial Statements for the Year Ended 31 October 2022

10 Funds

	Balance at 1 November 2021 £	Incoming resources £	Resources expended £	Balance at 31 October 2022 £
Unrestricted funds				
General	209,064	97,560	(35,472)	271,152
Restricted funds	<u>24,632</u>	<u>392,292</u>	<u>(8,025)</u>	<u>408,899</u>
Total funds	<u>233,696</u>	<u>489,852</u>	<u>(43,497)</u>	<u>680,051</u>
	Balance at 1 November 2020 £	Incoming resources £	Resources expended £	Balance at 31 October 2021 £
Unrestricted funds				
General	146,368	64,939	(2,243)	209,064
Restricted funds	<u>24,632</u>	<u>-</u>	<u>-</u>	<u>24,632</u>
Total funds	<u>171,000</u>	<u>64,939</u>	<u>(2,243)</u>	<u>233,696</u>

11 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds 2022 £
Tangible fixed assets	8,523	-	8,523
Current assets	265,129	408,899	674,028
Current liabilities	<u>(2,500)</u>	<u>-</u>	<u>(2,500)</u>
Total net assets	<u>271,152</u>	<u>408,899</u>	<u>680,051</u>
	Unrestricted funds General £	Restricted funds £	Total funds 2021 £
Current assets	<u>209,064</u>	<u>24,632</u>	<u>233,696</u>