

Charity registration number: 1140712

Mohammadi Trust Birmingham

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Mohammadi Trust Birmingham

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 14

Mohammadi Trust Birmingham

Reference and Administrative Details

Trustees

Mohammed Ibrahim

Gul Bahar

Mohammed Abdul Hadi

Mohammed Aslam

Mohammed Suleman

Charity Registration Number

1140712

Principal Office

24-36 Hartopp Road

Saltley

Birmingham

B8 1TE

Independent Examiner

Nasir Rafiq BA FCA

DUA GOVERNANCE

Chartered Accountants and Business Advisors

Bradford Court, 123-131 Bradford Street

Birmingham

B12 0NS

Mohammadi Trust Birmingham

Trustees' Report

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

Objectives and activities

Objects and aims

The main objective of the trust is to advance the Islamic religion in Birmingham for the benefit of the public in accordance with the doctrines of Islam and the belief in Islam la ilaha ilallah mohammed ar rasul allah and the belief that the main springs of Islamic teachings are the "Qur'an", the book revealed by Allah and the "Sunnah" of Prophet Muhammad (peace and blessings of Allah be upon him).

The charity achieves this objective by establishing mosques, prayers and Islamic Education. The trust also works to prevent or relief of poverty by the provision of services, support and advice which they could not otherwise afford through lack of means. This is mainly done through fund raising and making grants to partner charities.

The objectives for the year were to continue to raise funds to maintain and improve existing facilities. Funds are raised by voluntary collection in the mosque after prayers, especially Friday prayers. There are no specific fund raising targets set, the charity relies on the willingness of individuals to contribute what they can afford to donate.

Public benefit

As set out in the achievements and performance section.

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

During the year the charity continued to operate in the following main areas;

- a) Provide services of a mosque to promote Islamic faith to all age groups.
- b) To provide supplementary school (Madrassa) classes to teach them Quran and Islamic Studies to promote the Muslim way of life.

Financial review

During the period, the Trust received total income of £277k (2021: £121k) After spending £44k (2021: £48k), the charity made a net surplus of £232k (2021: £74k). The carried forward reserves stood at £913k (2021: £681k).

Policy on reserves

The Trustees deem the reserves to be sufficient in addressing the charity's immediate and future needs.

Plans for future periods

Aims and key objectives for future periods

Future plans of the charity include promoting the Muslim faith to the younger generation by increasing activities which interest more than the traditional services offered.

Structure, governance and management

Nature of governing document

The charity is an unincorporated charity, formed under a trust deed dated 1 February 2011. The charity registered with the Charities Commission on the 07 March 2011.

Risk management

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

Mohammadi Trust Birmingham

Trustees' Report

Recruitment and appointment of trustees

Trustees are responsible of setting strategies and policies for ensuring these are implemented.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 30.11.2023 and signed on its behalf by:



.....
Mohammed Suleman
Trustee

Mohammadi Trust Birmingham

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.

Approved by the trustees of the charity on 30-1-2023 and signed on its behalf by:



.....
Mohammed Suleman
Trustee

Mohammadi Trust Birmingham

Independent Examiner's Report to the trustees of Mohammadi Trust Birmingham

I report to the trustees on my examination of the accounts of Mohammadi Trust Birmingham for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of Mohammadi Trust Birmingham 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 Mohammadi Trust Birmingham'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 Mohammadi Trust Birmingham'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 Mohammadi Trust Birmingham 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 BA FCA
ICAEW

DUA GOVERNANCE
Chartered Accountants and Business Advisors
Bradford Court, 123-131 Bradford Street
Birmingham
B12 0NS

Date: 22.01.2023

Mohammadi Trust Birmingham

Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies		276,678	276,678
Total income		276,678	276,678
Expenditure on:			
Charitable activities		(44,371)	(44,371)
Total expenditure		(44,371)	(44,371)
Net income		232,307	232,307
Net movement in funds		232,307	232,307
Reconciliation of funds			
Total funds brought forward		680,559	680,559
Total funds carried forward	6	912,866	912,866

	Note	Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Donations and legacies		121,382	121,382
Total income		121,382	121,382
Expenditure on:			
Charitable activities		(47,611)	(47,611)
Total expenditure		(47,611)	(47,611)
Net income		73,771	73,771
Net movement in funds		73,771	73,771
Reconciliation of funds			
Total funds brought forward		606,788	606,788
Total funds carried forward	6	680,559	680,559

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2021 is shown in note 6.

Mohammadi Trust Birmingham

(Registration number: 1140712)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	3	843,972	607,988
Current assets			
Cash at bank and in hand	4	71,540	73,987
Creditors: Amounts falling due within one year	5	(2,646)	(1,416)
Net current assets		68,894	72,571
Net assets		912,866	680,559
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		912,866	680,559
Total funds	6	912,866	680,559

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 30-1-2023 and signed on their behalf by:



Mohammed Suleman
Trustee

Mohammadi Trust Birmingham

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

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Mohammadi Trust Birmingham meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

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.

Mohammadi Trust Birmingham

Notes to the Financial Statements for the Year Ended 31 March 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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 £0.00 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:

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.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Mohammadi Trust Birmingham

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

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Mohammadi Trust Birmingham

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

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	272,323	272,323
Grants, including capital grants;		
Government grants	4,355	4,355
Total for 2022	276,678	276,678
Total for 2021	121,382	121,382

3 Tangible fixed assets

	Land and buildings £	Total £
Cost		
At 1 April 2021	720,123	720,123
Additions	250,000	250,000
At 31 March 2022	970,123	970,123

Mohammadi Trust Birmingham

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

	Land and buildings £	Total £
Depreciation		
At 1 April 2021		
Charge for the year	112,135	112,135
	14,016	14,016
At 31 March 2022	126,151	126,151
Net book value		
At 31 March 2022	843,972	843,972
At 31 March 2021	607,988	607,988

4 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	71,540	73,987

5 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	2,646	1,416

6 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General	680,559	276,678	(44,371)	912,866
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General	606,788	121,382	(47,611)	680,559

7 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2022 £
Tangible fixed assets	843,972	843,972
Current assets	71,540	71,540
Current liabilities	(2,646)	(2,646)
Total net assets	912,866	912,866

Mohammadi Trust Birmingham

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

	Unrestricted funds General £	Total funds at 31 March 2021 £
Tangible fixed assets		
Current assets	607,988	607,988
Current liabilities	73,987	73,987
	(1,416)	(1,416)
Total net assets	680,559	680,559

8 Analysis of net funds

	At 1 April 2021 £	At 31 March 2022 £
Cash at bank and in hand	73,987	73,987
Net debt	73,987	73,987
	At 1 April 2020 £	At 31 March 2021 £
Net debt	-	-

9 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	1,800	1,710

10 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	1,800	1,800
Total for 2022	1,800	1,800
Total for 2021	1,710	1,710

Mohammadi Trust Birmingham

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

11 Expenditure on charitable activities

	Activity undertaken directly £	Total expenditure £
Employment	9,337	9,337
Facility	25,111	25,111
Utilities	6,216	6,216
Insurance	996	996
Accountancy & Audit	1,800	1,800
Fundraising	116	116
Bank charges	141	141
Telecommunication	654	654
Total for 2022	44,371	44,371

12 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	14,016	14,016

13 Taxation

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

14 Trustees remuneration and expenses

15 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	9,337	14,014

No employee received emoluments of more than £60,000 during the year