

Charity registration number: 1140712

# Mohammadi Trust Birmingham

Annual Report and Financial Statements

for the Year Ended 31 March 2023

**Mohammadi Trust Birmingham**

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**Mohammadi Trust Birmingham**

**Reference and Administrative Details**

<b>Trustees</b>	Mohammed Ibrahim
	Mohammed Abdul Hadi
	Mohammed Suleman
	Mohammed Aslam
	Gul Bahar
<b>Principal Office</b>	24-36 Hartop Road
	Saltley
	Birmingham
	B8 1TE
<b>Charity Registration Number</b>	1140712
<b>Independent Examiner</b>	Nasir Rafiuq
	Dua Governance
	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 2023.

#### **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 il-allah 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).

##### ***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**

The charity achieves its 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.

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 charity received total income of £213k (2022: £277k) and after spending £42k (2022: £44k), the charity made a net surplus of £171k (2022: £232k) The carried forward reserves stood at £1.08M (2022: £913K).

#### **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.

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.

31 January 2024

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

M. Suleman

.....  
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.

31 January 2024

Approved by the trustees of the charity on ..... 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 charity trustees on my examination of the accounts of the charity for the year ended 31 March 2023 which are set out on pages 6 to 13.

#### **Respective responsibilities of trustees and examiner**

As the charity's 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**

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*

.....  
Nasir Rafiq  
ICAEW

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

31 January 2024

Date:.....

## Mohammadi Trust Birmingham

### Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted funds £	Total 2023 £
<b>Income and Endowments from:</b>			
Donations and legacies		212,792	212,792
<b>Expenditure on:</b>			
Charitable activities		<u>(44,042)</u>	<u>(44,042)</u>
Total expenditure		<u>(44,042)</u>	<u>(44,042)</u>
Net income		<u>168,750</u>	<u>168,750</u>
Net movement in funds		168,750	168,750
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>912,866</u>	<u>912,866</u>
Total funds carried forward	12	<u><u>1,081,616</u></u>	<u><u>1,081,616</u></u>

	Note	Unrestricted funds £	Total 2022 £
<b>Income and Endowments from:</b>			
Donations and legacies		<u>276,678</u>	<u>276,678</u>
Total income		<u>276,678</u>	<u>276,678</u>
<b>Expenditure on:</b>			
Charitable activities		<u>(44,371)</u>	<u>(44,371)</u>
Total expenditure		<u>(44,371)</u>	<u>(44,371)</u>
Net income		<u>232,307</u>	<u>232,307</u>
Net movement in funds		232,307	232,307
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>680,559</u>	<u>680,559</u>
Total funds carried forward	12	<u><u>912,866</u></u>	<u><u>912,866</u></u>

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

The funds breakdown for 2022 is shown in note 12.



**Mohammadi Trust Birmingham**  
**(Registration number: 1140712)**  
**Balance Sheet as at 31 March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	9	1,159,222	843,972
<b>Current assets</b>			
Cash at bank and in hand	10	56,394	71,540
<b>Creditors: Amounts falling due within one year</b>	11	<u>(134,000)</u>	<u>(2,646)</u>
<b>Net current (liabilities)/assets</b>		<u>(77,606)</u>	<u>68,894</u>
<b>Net assets</b>		<u><u>1,081,616</u></u>	<u><u>912,866</u></u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>1,081,616</u>	<u>912,866</u>
<b>Total funds</b>	12	<u><u>1,081,616</u></u>	<u><u>912,866</u></u>

31 January 2024 The financial statements on pages 6 to 13 were approved by the trustees, and authorised for issue on ..... and signed on their behalf by:



.....  
 Mohammed Suleman  
 Trustee

## **Mohammadi Trust Birmingham**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **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**

Mohammadi Trust Birmingham 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.

##### ***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.

##### **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.

## **Mohammadi Trust Birmingham**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### ***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.

#### **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.

## Mohammadi Trust Birmingham

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 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.

#### 2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	212,792	212,792	272,323
Grants, including capital grants;			
Government grants	-	-	4,355
	<u>212,792</u>	<u>212,792</u>	<u>276,678</u>

#### 3 Expenditure on charitable activities

	Activity undertaken directly £	Total 2023 £	Total 2022 £
Depreciation	19,648	19,648	14,016
Utilities	11,469	11,469	6,216
Wages	6,705	6,705	9,337
Insurance	1,165	1,165	996
Facility costs	1,738	1,738	11,865
Bank charges	817	817	141
Independent examiner's fee	2,500	2,500	1,800
	<u>44,042</u>	<u>44,042</u>	<u>44,371</u>

#### 4 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Independent examiner fees			
Examination of the financial statements	2,500	2,500	1,800
	<u>2,500</u>	<u>2,500</u>	<u>1,800</u>

## Mohammadi Trust Birmingham

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 5 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £
Depreciation of fixed assets	19,648

#### 6 Trustees remuneration and expenses

#### 7 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	2,500	1,800

#### 8 Taxation

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

#### 9 Tangible fixed assets

	Land and buildings £	Total £
<b>Cost</b>		
At 1 April 2022	970,123	970,123
Additions	334,898	334,898
At 31 March 2023	1,305,021	1,305,021
<b>Depreciation</b>		
At 1 April 2022	126,151	126,151
Charge for the year	19,648	19,648
At 31 March 2023	145,799	145,799
<b>Net book value</b>		
At 31 March 2023	1,159,222	1,159,222
At 31 March 2022	843,972	843,972

#### 10 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	56,394	71,540

## Mohammadi Trust Birmingham

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 11 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	131,500	-
Accruals	2,500	2,646
	<u>134,000</u>	<u>2,646</u>

#### 12 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
General	<u>912,866</u>	<u>212,792</u>	<u>(44,042)</u>	<u>1,081,616</u>

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	<u>680,559</u>	<u>276,678</u>	<u>(44,371)</u>	<u>912,866</u>

#### 13 Analysis of net assets between funds

	Unrestricted funds General £	Total funds 2023 £
Tangible fixed assets	1,159,222	1,159,222
Current assets	56,394	56,394
Current liabilities	<u>(132,100)</u>	<u>(132,100)</u>
Total net assets	<u>1,083,516</u>	<u>1,083,516</u>

	Unrestricted funds General £	Total funds 2022 £
Tangible fixed assets	843,972	843,972
Current assets	71,540	71,540
Current liabilities	<u>(2,646)</u>	<u>(2,646)</u>
Total net assets	<u>912,866</u>	<u>912,866</u>

## Mohammadi Trust Birmingham

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 14 Analysis of net funds

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	<u>71,540</u>	<u>(15,146)</u>	<u>56,394</u>
Net debt	<u><u>71,540</u></u>	<u><u>(15,146)</u></u>	<u><u>56,394</u></u>

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	<u>73,897</u>	<u>(2,447)</u>	<u>71,450</u>
Net debt	<u><u>73,897</u></u>	<u><u>(2,447)</u></u>	<u><u>71,450</u></u>