

Charity registration number: 1140712

Mohammadi Trust Birmingham

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Mohammadi Trust Birmingham

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Mohammadi Trust Birmingham

Reference and Administrative Details

Trustees	Mohammed Ibrahim
	Mohammed Abdul Hadi
	Mohammed Suleman
	Mohammed Aslam
	Gul Bahar
Principal Office	24-36 Hartop Road Saltley Birmingham B8 1TE
Charity Registration Number	1140712
Independent Examiner	Nasir Rafiq 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 2024.

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.

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.

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.

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Trustees' Report

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 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 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 2024 which are set out on pages 6 to 14.

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
ICAEW

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

Date:.....

Mohammadi Trust Birmingham

Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted funds \$	Total 2024 \$
Income and Endowments from:			
Donations and legacies		152,614	152,614
Expenditure on:			
Charitable activities		<u>(68,705)</u>	<u>(68,705)</u>
Total expenditure		<u>(68,705)</u>	<u>(68,705)</u>
Net income		<u>83,909</u>	<u>83,909</u>
Net movement in funds		83,909	83,909
Reconciliation of funds			
Total funds brought forward		<u>1,081,616</u>	<u>1,081,616</u>
Total funds carried forward	12	<u><u>1,165,525</u></u>	<u><u>1,165,525</u></u>

	Note	Unrestricted funds \$	Total 2023 \$
Income and Endowments from:			
Donations and legacies		<u>212,792</u>	<u>212,792</u>
Total income		<u>212,792</u>	<u>212,792</u>
Expenditure on:			
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
Reconciliation of funds			
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>

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

The funds breakdown for 2023 is shown in note 12.

Mohammadi Trust Birmingham
(Registration number: 1140712)
Balance Sheet as at 31 March 2024

	Note	2024 \$	2023 \$
Fixed assets			
Tangible assets	9	1,279,285	1,159,222
Current assets			
Cash at bank and in hand	10	22,740	56,394
Creditors: Amounts falling due within one year	11	<u>(136,500)</u>	<u>(134,000)</u>
Net current liabilities		<u>(113,760)</u>	<u>(77,606)</u>
Net assets		<u><u>1,165,525</u></u>	<u><u>1,081,616</u></u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>1,165,525</u>	<u>1,081,616</u>
Total funds	12	<u><u>1,165,525</u></u>	<u><u>1,081,616</u></u>

The financial statements on pages 6 to 14 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 2024

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.

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 2024

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.

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.

Mohammadi Trust Birmingham

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Income from donations and legacies

	Unrestricted funds General \$	Total 2024 \$	Total 2023 \$
Donations and legacies;			
Donations from individuals	152,614	152,614	212,792
	152,614	152,614	212,792
	152,614	152,614	212,792

3 Expenditure on charitable activities

	Activity undertaken directly \$	Total 2024 \$	Total 2023 \$
Depreciation	21,683	21,683	19,648
Utilities	19,550	19,550	11,469
Wages	9,031	9,031	6,705
Insurance	2,974	2,974	1,165
Facility costs	12,750	12,750	1,738
Bank charges	217	217	817
Independent examiner's fee	2,500	2,500	2,500
	68,705	68,705	44,042
	68,705	68,705	44,042

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Notes to the Financial Statements for the Year Ended 31 March 2024

\$Nil (2023 - \$Nil) of the above expenditure was attributable to unrestricted funds and \$Nil (2023 - \$Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of \$2,500 (2023 - \$2,500) which relate directly to charitable activities. See note 4 for further details.

4 Analysis of governance and support costs

Governance costs

	Unrestricted funds General \$	Total 2024 \$	Total 2023 \$
Independent examiner fees			
Examination of the financial statements	2,500	2,500	2,500
	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

5 Net incoming/outgoing resources

Net incoming resources for the year include:

	2024 \$	2023 \$
Depreciation of fixed assets	<u>21,683</u>	<u>19,648</u>

6 Trustees remuneration and expenses

7 Independent examiner's remuneration

	2024 \$	2023 \$
Examination of the financial statements	<u>2,500</u>	<u>2,500</u>

Mohammadi Trust Birmingham

Notes to the Financial Statements for the Year Ended 31 March 2024

8 Taxation

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

9 Tangible fixed assets

	Land and buildings \$	Total \$
Cost		
At 1 April 2023	1,305,021	1,305,021
Additions	<u>141,746</u>	<u>141,746</u>
At 31 March 2024	<u>1,446,767</u>	<u>1,446,767</u>
Depreciation		
At 1 April 2023	145,799	145,799
Charge for the year	<u>21,683</u>	<u>21,683</u>
At 31 March 2024	<u>167,482</u>	<u>167,482</u>
Net book value		
At 31 March 2024	<u>1,279,285</u>	<u>1,279,285</u>
At 31 March 2023	<u>1,159,222</u>	<u>1,159,222</u>

10 Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank	<u>22,740</u>	<u>56,394</u>

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Notes to the Financial Statements for the Year Ended 31 March 2024

11 Creditors: amounts falling due within one year

	2024 \$	2023 \$
Other creditors	131,500	131,500
Accruals	5,000	2,500
	<u>136,500</u>	<u>134,000</u>

12 Funds

	Balance at 1 April 2023 \$	Incoming resources \$	Resources expended \$	Balance at 31 March 2024 \$
Unrestricted funds				
General	<u>1,081,616</u>	<u>152,614</u>	<u>(68,705)</u>	<u>1,165,525</u>

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

13 Analysis of net assets between funds

	Unrestricted funds General \$	Total funds 2024 \$
Tangible fixed assets	1,279,285	1,279,285
Current assets	22,740	22,740
Current liabilities	<u>(136,500)</u>	<u>(136,500)</u>
Total net assets	<u>1,165,525</u>	<u>1,165,525</u>

Mohammadi Trust Birmingham

Notes to the Financial Statements for the Year Ended 31 March 2024

	Unrestricted funds General \$	Total funds 2023 \$
Tangible fixed assets	1,159,222	1,159,222
Current assets	56,394	56,394
Current liabilities	(134,000)	(134,000)
Total net assets	<u>1,081,616</u>	<u>1,081,616</u>

14 Analysis of net funds

	At 1 April 2023 \$	At 31 March 2024 \$
Cash at bank and in hand	<u>56,394</u>	<u>56,394</u>
Net debt	<u>56,394</u>	<u>56,394</u>

	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>71,540</u>	<u>(15,146)</u>	<u>56,394</u>