

Khatam Alnabaeen Limited

Charity No. 1168024

Company No. 08404576

Trustees' Report and Unaudited Accounts

28 February 2022

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 28 February 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. 08404576

Charity No. 1168024

Principal Office

Unit 6

Wellesly Court

Apsley Way

London

NW2 7HF

Registered Office

Suite G1

Harstbourne House

Delta Gain

Watford

WD19 5EF

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law.

The following Directors and Trustees served during the year:

S.F. Hosseini-Milani

M.E. Mesbahi

S.E. Shahrestani

Accountants

Sabat Accountants Ltd t/a Seymour King

Suite G1

Hartsbourne House

Delta Gain

Watford

WD19 5EF

OBJECTIVES AND ACTIVITIES

The purpose of the charity is promotion of racial and religious harmony through education. In shaping our objectives and activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The activities undertaken by the charity to promote its objectives and aims are stated below.

1- Theology Courses

2- Mental Health Courses

3- Conferences

4- Inter-faith and intra-faith conferences

5- Round table weekend discussions

ACHIEVEMENTS AND PERFORMANCE

1. Theology Courses: Term one started on 02/04/2021 and continued until 30/07/2021. Term two took place from 01/10/2021 to 30/01/2022.

2. Mental health courses: The first course was aimed at Clerics, improving them with the most updated scientific and social approaches to the issues. The second course was held for the general members of the community, involving workshops and discussions in order to bring better understanding of the mental health issues surrounding them, their close families and loved ones.

3. We ran a conference titled "Raising Awareness on Disabilities in the Muslim Communities in the UK", which also included briefing of religious obligations towards this matter.

4. Annually an increasing number of interfaith and intra-faith conferences were organised and managed. The art of reconciliation and effective methods of solving disputes also take place as part of these events.

5. Round table weekend discussions are managed throughout the year with the vision of better parenting and creating a better environment for children's moral and mental state.

FINANCIAL REVIEW

During the year under review the charity received unrestricted income of £41,948 (2021: £108,759) and restricted income of £48,642 (2021: £69,705) and had an expenditure of £105,661 (2021: £123,064) and £57,811 (2021: £Nil) for unrestricted and restricted expenditure respectively. At the balance sheet date the charity held restricted and unrestricted funds of £549,878 (2021: £622,760).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months running costs. 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 charity's current activities while consideration is given to ways in which additional funds may be raised. Based on this policy the reserves to be held are between £22,600 and £45,200. At the end of the year, the charity had unrestricted reserve fund of £419,265 and restricted reserve fund (not available for general purpose) of £130,613.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by guarantee and is controlled by its Memorandum and Articles of Association dated 15 February 2013 as amended by special resolution dated 19 February 2016 and 27 June 2016.

The charity may appoint any person who is willing to become a director/trustee.

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

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board

S.F. Hosseini-Milani
Trustee
17 November 2022

Independent Examiner's Report to the trustees of Khatam Alnabaeen Limited

I report to the charity trustees on my examination of the financial statements of Khatam Alnabaeen Limited for the year ended 28 February 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements under section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the Charities SORP (FRS 102).

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 financial statements to be reached.

Sajjad B Tejani
FCCA
Sabat Accountants Ltd t/a Seymour King
Suite G1
Hartsbourne House
Delta Gain
Watford
WD19 5EF
17 November 2022

Khatam Alnabaeen Limited
Statement of Financial Activities
for the year ended 28 February 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Notes				
Income and endowments from:					
Donations and legacies	4	33,571	48,642	82,213	147,738
Investments	5	17	-	17	10
Other	6	8,360	-	8,360	30,716
Total		41,948	48,642	90,590	178,464
Expenditure on:					
Charitable activities	7	15,197	57,811	73,008	39,147
Other	8	90,464	-	90,464	83,917
Total		105,661	57,811	163,472	123,064
Net gains on investments		-	-	-	-
Net (expenditure)/income	9	(63,713)	(9,169)	(72,882)	55,400
Transfers between funds		-	-	-	-
Net (expenditure)/income before other gains/(losses)		(63,713)	(9,169)	(72,882)	55,400
Other gains and losses					
Net movement in funds		(63,713)	(9,169)	(72,882)	55,400
Reconciliation of funds:					
Total funds brought forward		480,692	142,068	622,760	567,360
Total funds carried forward		416,979	132,899	549,878	622,760

Khatam Alnabaeen Limited
Summary Income and Expenditure Account
for the year ended 28 February 2022

	2022 £	2021 £
Income	90,573	178,454
Interest and investment income	17	10
Gross income for the year	<u>90,590</u>	<u>178,464</u>
Expenditure	148,653	108,425
Depreciation and charges for impairment of fixed assets	14,819	14,639
Total expenditure for the year	<u>163,472</u>	<u>123,064</u>
Net (expenditure)/income before tax for the year	(72,882)	55,400
Net (expenditure)/income for the year	<u><u>(72,882)</u></u>	<u><u>55,400</u></u>

Khatam Alnabaeen Limited

Balance Sheet

at 28 February 2022

Company No. 08404576	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	12	646,075	660,421
		<u>646,075</u>	<u>660,421</u>
Current assets			
Debtors	13	1,192	9,877
Cash at bank and in hand		34,223	83,255
		<u>35,415</u>	<u>93,132</u>
Creditors: Amount falling due within one year	14	(3,112)	(2,293)
Net current assets		<u>32,303</u>	<u>90,839</u>
Total assets less current liabilities		678,378	751,260
Creditors: Amounts falling due after more than one year	15	(128,500)	(128,500)
Net assets excluding pension asset or liability		<u>549,878</u>	<u>622,760</u>
Total net assets		<u><u>549,878</u></u>	<u><u>622,760</u></u>
The funds of the charity			
Restricted funds	16		
Restricted income funds		132,899	142,068
		<u>132,899</u>	<u>142,068</u>
Unrestricted funds	16		
General funds		416,979	480,692
		<u>416,979</u>	<u>480,692</u>
Reserves	16		
Total funds		<u><u>549,878</u></u>	<u><u>622,760</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 28 February 2022 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the board on 17 November 2022

And signed on its behalf by:

S.F. Hosseini-Milani
Trustee
17 November 2022

Khatam Alnabaeen Limited
Statement of Cash flows
for the year ended 28 February 2022

	2022 £	2021 £
Cash flows from operating activities		
Net (expenditure)/income per Statement of Financial Activities	(72,882)	55,400
Adjustments for:		
Depreciation of property, plant and equipment	14,819	14,639
Dividends, interest and rents from investments	(8,377)	(30,726)
Decrease/(Increase) in trade and other receivables	8,685	(5,154)
Increase/(Decrease) in trade and other payables	1,072	(6,058)
Net cash (used in)/provided by operating activities	<u>(56,683)</u>	<u>28,101</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(473)	(655)
Dividends, interest and rents from investments	8,377	30,726
Net cash from investing activities	<u>7,904</u>	<u>30,071</u>
Net cash used in financing activities	<u>-</u>	<u>(5,500)</u>
Net (decrease)/increase in cash and cash equivalents	(48,779)	52,672
Cash and cash equivalents at the beginning of the year	83,255	30,583
Cash and cash equivalents at the end of the year	<u>34,476</u>	<u>83,255</u>
Components of cash and cash equivalents		
Cash and bank balances	34,223	83,255
	<u>34,223</u>	<u>83,255</u>

for the year ended 28 February 2022

1 Accounting policies

Basis of preparation

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 Companies Act 2006.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
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Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
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Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
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Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
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Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
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Volunteer help	The value of any volunteer help received is not included in the accounts.
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Investment income	This is included in the accounts when receivable.
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Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
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Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.
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Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	2%% on cost
Fixture, fittings & equipment	20%% on cost

Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital.

3 Statement of Financial Activities - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income and endowments from:			
Donations and legacies	78,033	69,705	147,738
Investments	10	-	10
Other	30,716	-	30,716
Total	108,759	69,705	178,464
Expenditure on:			
Charitable activities	39,147	-	39,147
Other	83,917	-	83,917
Total	123,064	-	123,064
Net income	(14,305)	69,705	55,400
Net income before other gains/(losses)	(14,305)	69,705	55,400
Other gains and losses:			
Net movement in funds	(14,305)	69,705	55,400
Reconciliation of funds:			
Total funds brought forward	494,998	72,363	567,361
Total funds carried forward	480,693	142,068	622,761

4 Income from donations and legacies

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
General donation	33,571	-	33,571	78,033
Khums - Sehme Imam and Sehme Sadaat	-	3,500	3,500	455
Sadaqah	-	56	56	5
Khums - Sehme Imam	-	6,286	6,286	2,579
Education	-	38,800	38,800	66,666
	<u>33,571</u>	<u>48,642</u>	<u>82,213</u>	<u>147,738</u>

5 Income from investments

	Unrestricted	Total 2022	Total 2021
	£	£	£
	17	17	10
	<u>17</u>	<u>17</u>	<u>10</u>

6 Other income

	Unrestricted	Total 2022	Total 2021
	£	£	£
	8,360	8,360	30,716
	<u>8,360</u>	<u>8,360</u>	<u>30,716</u>

7 Expenditure on charitable activities

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
<i>Expenditure on charitable activities</i>				
Education	-	57,811	57,811	39,147
General donation	15,197	-	15,197	-
<i>Governance costs</i>				
	<u>15,197</u>	<u>57,811</u>	<u>73,008</u>	<u>39,147</u>

8 Other expenditure

	Unrestricted	Total 2022	Total 2021
	£	£	£
Employee costs	49,149	49,149	42,941
Premises costs	7,611	7,611	6,834
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	14,819	14,819	14,639
General administrative costs	17,085	17,085	17,703
Legal and professional costs	1,800	1,800	1,800
	<u>90,464</u>	<u>90,464</u>	<u>83,917</u>

9 Net (expenditure)/income before transfers

	2022	2021
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	14,819	14,639

10 Trustee remuneration and expenses

	2022 Number	2021 Number
The nature of the reimbursed expenses	There was no trustees' remuneration or other benefits for the year ended 29 February 2020 nor for the year ended 28 February 2019.	

11 Staff costs

	2022	2021
Salaries and wages	48,172	41,780
Social security costs	-	281
Pension costs	977	880
	<u>49,149</u>	<u>42,941</u>

No employee received emoluments in excess of £60,000.

The average monthly number of full time equivalent employees during the year was as follows:

	2022 Number	2021 Number
Administration	3	2
	<u>3</u>	<u>2</u>

12 Tangible fixed assets

	Land and buildings £	Fixture, fittings & equipment £	Total £
Cost or revaluation			
At 1 March 2021	686,332	27,606	713,938
Additions	-	473	473
At 28 February 2022	<u>686,332</u>	<u>28,079</u>	<u>714,411</u>
Depreciation and impairment			
At 1 March 2021	44,165	9,352	53,517
Depreciation charge for the year	9,227	5,592	14,819
At 28 February 2022	<u>53,392</u>	<u>14,944</u>	<u>68,336</u>
Net book values			
At 28 February 2022	<u>632,940</u>	<u>13,135</u>	<u>646,075</u>
At 28 February 2021	<u>642,167</u>	<u>18,254</u>	<u>660,421</u>
13 Debtors			
	2022		2021
	£		£
Other debtors	300		8,995
Prepayments and accrued income	892		882
	<u>1,192</u>		<u>9,877</u>
14 Creditors:			
amounts falling due within one year			
	2022		2021
	£		£
Trade creditors	-		70
Other taxes and social security	1,097		-
Other creditors	216		171
Accruals	1,799		2,052
	<u>3,112</u>		<u>2,293</u>
15 Creditors:			
amounts falling due after more than one year			
	2022		2021
	£		£
Other loans	128,500		128,500
	<u>128,500</u>		<u>128,500</u>

16 Movement in funds

	At 1 March 2021	Incoming resources (including other gains/losses) £	Resources expended £	At 28 February 2022 £
Restricted funds:				
Restricted income funds:				
Khums - Sehme Imam and Sehme Sadaat	4,752	3,500	-	8,252
Sadaqah	1,532	56	-	1,588
Khums - Sehme Imam	5,493	6,286	-	11,779
Education	128,520	38,800	(57,811)	109,509
Khums - Sehme Sadaat	1,771	-	-	1,771
<i>Total</i>	<u>142,068</u>	<u>48,642</u>	<u>(57,811)</u>	<u>132,899</u>
Unrestricted funds:				
General funds	480,692	41,948	(105,661)	416,979
Total funds	<u><u>622,760</u></u>	<u><u>90,590</u></u>	<u><u>(163,472)</u></u>	<u><u>549,878</u></u>

Purposes and restrictions in relation to the funds:

Restricted funds:

Khums - Sehme Imam and
Sehme Sadaat
Sadaqah
Khums - Sehme Imam
Education
Khums - Sehme Sadaat

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	646,075	-	646,075
Net current assets	(1,920)	34,223	32,303
Creditors due in more than one year and provisions	(128,500)	-	(128,500)
	<u><u>515,655</u></u>	<u><u>34,223</u></u>	<u><u>549,878</u></u>

18 Reconciliation of net debt

	At 1 March 2021 £	Cash flows £	At 28 February 2022 £
Cash and cash equivalents	83,255	(49,032)	34,223
	<u>83,255</u>	<u>(49,032)</u>	<u>34,223</u>
Borrowings	(128,500)	-	(128,500)
	<u>(128,500)</u>	<u>-</u>	<u>(128,500)</u>
Net debt	<u>(45,245)</u>	<u>(49,032)</u>	<u>(94,277)</u>

19 Commitments

Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2022 Land and buildings £	2022 Other £	2021 Land and buildings £	2021 Other £
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Operating leases with expiry date:

Pension commitments

	2022 £	2021 £
The pension cost charge to the company amounted to:	<u>977</u>	<u>880</u>

20 Related party disclosures

Controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.