

**THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF
BIRMINGHAM**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Trustees	Dr. M Khoja	President
	Br. T Jivraj	Vice president
	Sis. I Ramji	Secretary General
	Br. H Bandali	Deputy Secretary General
	Br. M A Railey	Treasurer
	Br. H Elias	Head of Finance
	Sis. F Bandali	Executive Committee Member
	Br. H Asaria	Executive Committee Member
	Br. H Jaffer	Executive Committee Member
	Dr. M Janmohamed	Executive Committee Member
	Dr. R Hamer	Executive Committee Member
	Br. S Hassam	Executive Committee Member
	Sis. H Khimji	Chairlady
	Sis. F Damji	Ladies Hon. Secretary
	Dr. R Alidina	Chair Building Committee
	Br. I Janmohamed	Chair Education Board

Registered charity number 1170675

CIO number CE009331

Principal address 17 Clifton Road
Balsall Heath
Birmingham
B12 8SX

Auditor Deitch Cooper LLP
1st Floor, 3 Hobbs House
Harrobian Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

Bankers Barclays Bank
Lloyds Bank
Habib Bank
Unity Trust Bank
Charity Bank

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

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THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and the consolidated financial statements for the year ended 31 December 2023. The legal and administrative information page forms a part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Charities Act 2011 and "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 2019).

Objectives and activities for the public benefit

The objective of the charity is to promote Islam and teachings of Islam per the Holy Quran in accordance with the Shia Jaafari faith. The principal objective of the Charity are to arrange religious functions in the Islamic calendar, provision of secular education, social & welfare of its members and establish capital projects to care for its needs.

The charity has various committees operating under the main body of the Executive Committee. Additional objectives of the charity are to arrange religious functions as per the Islamic calendar, provision of secular education, meeting social and welfare needs of its members and establish capital projects to provide for the above stated objectives.

It is the responsibility of the charity to establish high quality programmes and activities through its various subcommittees which promote Islamic values and social responsibility. The charity reaches out to the wider community to promote understanding of its role and partakes in various charitable activities jointly with partner organisations.

In fulfilling its objectives and assisting in planning for the various activities, the Trustees and Executive Committee have given due consideration to the guidance provided by the Charity Commission in relation to public benefit and to its supplementary Public Benefit Guidance on the advancement of Religion.

Strategies

We want to make our Mosque an accessible and welcoming venue where all members, or those who wish to know more about our faith, can gather to learn about religion and worship. The Mosque is open for daily prayers, the Friday prayers being a focus of our activities.

We share the teachings of Islam and the nature of our faith with non-Muslims by participating in various inter-faith forums.

An important part of our faith is charitable giving in accordance with the Islam tenets, and we are pleased to receive funds from members for the purpose of the relief of need and financial hardship of Muslims in the UK, and overseas who have insufficient money to cover their basic needs for shelter, food, clothing, education or who are destitute with no means of support.

An important part of our strategy is community welfare and education. We provide a range of community activities including classes, health initiatives and seminars to achieve this.

Grant Making Policy

Our members give generously to appeals arising from natural calamities affecting various countries around the world. The charity has a close relationship with The World Federation of Khoja Shia Ithna-Asheri Muslim Communities, a UK registered charity number 282303, and is a member of COEJ (Council of European Jamaats), a UK registered charity number 1096111. KSMC of Birmingham channels donations and contributions to worthwhile causes throughout the world through these two international bodies.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

In 2023, our community activities have experienced significant growth since emerging from the pandemic. All subcommittees have resumed full operations, with noteworthy accomplishments across various sectors. The community has settled into the transition halls well and is utilizing these spaces for a myriad of programs aside from the regular prayer and main congregational activities.

The Children's Tabligh Committee (CTC) has maintained its tradition of excellence by conducting workshops parallel to adult programs during Muharram and Ramadhan, as well as other events throughout the year. CTC and Muhammadi Nursery and Madrasah have diligently ensured the continuity of programs and services in the Syeda Zainab (as) Building, despite the ongoing construction work on the AIC building.

The Masoomen Sports Club has successfully provided sporting activities for all age groups, hosted several local and national tournaments, and sent numerous teams to participate in the Unity Games in Dubai over Christmas. The Al Abbas Quran Academy has thrived, further strengthening its offerings by embracing a new technological platform, funded by generous donations.

The Marriage Committee, Health and Wellbeing, Specially Me, Interfaith, and all other committees have come back to full strength and are engaging the community with relevant and useful programs. Overall, our community has shown remarkable resilience and dedication, ensuring that all members can participate in and benefit from the diverse range of activities and programs offered.

AIC Capital Project

At the AGM 2023, it was resolved that the second floor of the Imambara should be built to enable the community to make the most of the building of the new centre and take advantage of the 20% VAT exemption on the construction of new buildings. The community has been kept informed of progress via social media posts on WhatsApp, Instagram, and Facebook. These platforms have also served as conduits for raising awareness of the AIC project and encouraging fundraising. Community members from Birmingham and those from further afield have been encouraged to visit the AIC building site to gain insight into the spaces being built and inspire new ideas for the Building Committee to consider for the internal fit-out of the centre.

Our community has come up with various initiatives to assist in cultivating ideas and fundraising opportunities, with BAYN and CTC holding a Dragons' Den-style event for the youth to pitch ideas for the new centre. Donations towards the Musalla, Wudhoo, Parent & Toddler areas of the new centre were very successful. The steel structure rising during 2023 encouraged past and present donors to further support the building project. At the time of writing this report, the funds raised so far will cover 50% of the project costs.

The Multi-Purpose Sports Hall is an integral part of the AIC project vision. To this end, collaboration with Masoomen Sports Club has been ongoing, with a meeting held specifically in September 2023 to discuss the different options for the siting of the new hall. A new team is required to take up this phase of the project, and positions for this team are open for members to take on.

In December 2023, we were honoured to receive the Best Mosque Future Design award. With the help of the Almighty, the Imambargah phase of the project is due for completion in the second half of 2025. With the continued support of the community, we look forward to its fruition.

Use of Volunteers

Volunteers are an important resource in both our faith and community work. Volunteers are involved in most of our faith and community activities. All our trustees also give of their time freely. We encourage all members of our Centre to be involved in voluntary activities and to share their skills with others. All those volunteers working with projects involving children or other vulnerable groups are CRB checked. The Trustees wish to thank all volunteers for their hard work during the financial year and their ongoing efforts in numerous areas of work.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The results for the year are shown on the Statement of Financial Activities and in the notes to the financial statements. Total income for the year was £3,245,118 (2022: £1,617,412), which includes income from investments of £423,945 (2022: £307,354). As at the year end, total unrestricted funds amounted to £13,483,734 (2022: £10,689,439), while total restricted funds amounted to £1,541,247 (2022: £1,782,595).

The charity's perpetual existence ensures that it will never dissolve, and thus, reserves are carried over from each fiscal year. The Trustees' objective is to maintain unrestricted reserves at a level that is equivalent to approximately three months of the charity's unrestricted charitable expenses. The Trustees believe that this amount is adequate to cover unexpected expenditures and fund other recurring costs associated with governance.

The Trustees and Executive Committee, as well as members of subcommittees, are neither remunerated nor paid any expenses. The restricted funds all relate to items where the donors have specified its intended use or recipient. Where deficits occur, these are carried forward to the following year.

Risk management

The trustees have assessed the risks the charity faces, the nature of those risks, the likelihood of the risks happening, and the measures taken to manage them. The trustees review the risks at their meetings and are satisfied that systems are in place to manage any risks that may be identified. Adequate insurance cover is in place and the finances of the Mosque are kept under review. Appropriate Criminal Records Bureau (CRB) checks, supported by regularly reviewed policies, are made for all those who work with children or other vulnerable groups within the Charity's activities.

Plans for future periods

The charity is rapidly outgrowing its current facilities based on a growth forecast using the census and other data. As has been widely communicated, progress is ongoing on the Al-Abbas Building Project. Further details are published as part of the Building Report.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

The Charity is a Charitable Incorporated Organisation registered by a governing document dated 09 December 2016.

The Trustees who served during the year and up to the date of signature of the financial statements were:

M Khoja
T Jivraj
I Ramji
H Bandali
M Railey
S Hassam
F Damji
R Alidina
R Hamer
F Bandali
I Janmohamed
M Janmohamed
H Asaria
H Khimji
H Jaffer
H Hudda
H Elias

(Resigned 6 February 2023)

(Appointed 14 April 2023)

The Trustees are appointed in accordance with the constitution at the Annual General Meeting, or by the Trustees should a vacancy arise during the year. The official handover of roles and appointments to the new Executive Committee takes place following the presentation and approval of the annual financial statements.

The Trustees meet regularly to manage strategy and the organisation. The day-to-day operations for the different educational activities are delegated to nominated individuals. The management of the investment properties is undertaken by Khoja Shia Ithna-Asheri Muslim Community (Baquir) Limited and Khoja Shia Ithna-Asheri Muslim Community (Jaafery) Limited, wholly owned subsidiaries of the charity.

None of the Trustees or Executive Committee have any beneficial interest in any member of the group.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Trustees' responsibilities

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

The law applicable to charities in England and Wales 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 year.

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 (FRS102);
- make judgments 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 operation.

The Trustees are responsible for keeping sufficient 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing document.

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.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' annual report was approved and signed on behalf of the Board of Trustees.

H Elias
Trustee

Date:.....

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

Opinion

We have audited the financial statements of the Khoja Shia Ithna-Asheri Muslim Community of Birmingham (the 'charity') and its group for the year ended 31 December 2023, which comprises the consolidated statement of financial activities, the consolidated statement of financial position, the statement of financial position, the consolidated statement of cash flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MUSLIM KHOJA SHIA ITHNA-ASHERI COMMUNITY OF BIRMINGHAM

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity and the group through discussions with management and from our knowledge and experience of the sector and activities of the charity; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011; and
- we assessed the extent of compliance with the laws and regulations identified through making enquiries of management and inspecting documentation; and
- we identified laws and regulations which were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the financial statements to material misstatements including obtaining an understanding of how fraud might occur by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MUSLIM KHOJA SHIA ITHNA-ASHERI COMMUNITY OF BIRMINGHAM

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls we performed the following procedures:

- we performed analytical procedures to identify any unusual or unexpected relationships; and
- we assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- we investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations we designed procedures which included, but were not limited to, agreeing financial statement disclosures to underlying supporting documentation and remaining alert for actual and potential litigation and claims during our other audit procedures. We did not identify any key audit matters relating to irregularities, including fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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) (second edition – October 2019)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current United Kingdom Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this, or for the opinions we have formed.

Deitch Cooper LLP

Date:

Statutory Auditor

1st Floor, 3 Hobbs House
Harrovia Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

Deitch Cooper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income from:</u>						
Donations and legacies	367,757	1,957,197	2,324,954	354,909	560,178	915,087
Charitable activities	322,820	-	322,820	252,468	-	252,468
Other trading activities	161,664	11,735	173,399	110,425	30,980	141,405
Investments	423,945	-	423,945	307,354	-	307,354
Other income	-	-	-	1,098	-	1,098
Total income	<u>1,276,186</u>	<u>1,968,932</u>	<u>3,245,118</u>	<u>1,026,254</u>	<u>591,158</u>	<u>1,617,412</u>
<u>Expenditure on:</u>						
Raising funds	<u>358,790</u>	<u>-</u>	<u>358,790</u>	<u>258,494</u>	<u>-</u>	<u>258,494</u>
Charitable activities	<u>1,296,726</u>	<u>232,466</u>	<u>1,529,192</u>	<u>1,095,072</u>	<u>176,349</u>	<u>1,271,421</u>
Total expenditure	<u>1,655,516</u>	<u>232,466</u>	<u>1,887,982</u>	<u>1,353,566</u>	<u>176,349</u>	<u>1,529,915</u>
Revaluation of investment properties	<u>1,195,811</u>	<u>-</u>	<u>1,195,811</u>	<u>667,326</u>	<u>-</u>	<u>667,326</u>
Net incoming resources before transfers	816,481	1,736,466	2,552,947	340,014	414,809	754,823
Gross transfers between funds	<u>1,977,814</u>	<u>(1,977,814)</u>	<u>-</u>	<u>551,643</u>	<u>(551,643)</u>	<u>-</u>
Net movement in funds	2,794,295	(241,348)	2,552,947	891,657	(136,834)	754,823
Reconciliation of funds:						
Fund balances at 1 January 2023	10,689,439	1,782,595	12,472,034	9,797,782	1,919,429	11,717,211
Fund balances at 31 December 2023	<u>13,483,734</u>	<u>1,541,247</u>	<u>15,024,981</u>	<u>10,689,439</u>	<u>1,782,595</u>	<u>12,472,034</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13	8,745,135		7,045,889	
Investment properties	14	6,838,000		5,642,189	
		15,583,135		12,688,078	
Current assets					
Debtors	15	604,107		301,308	
Cash at bank and in hand		1,995,611		2,517,220	
		2,599,718		2,818,528	
Creditors: amounts falling due within one year	17	(471,354)		(284,572)	
Net current assets		2,128,364		2,533,956	
Total assets less current liabilities		17,711,499		15,222,034	
Creditors: amounts falling due after more than one year	18	(2,686,518)		(2,750,000)	
Net assets		15,024,981		12,472,034	
Income funds					
Restricted funds	19	1,541,247		1,782,595	
<u>Unrestricted funds</u>					
Designated funds	20	6,501,044		4,552,244	
General unrestricted funds	20	4,163,384		3,151,071	
Revaluation reserve	20	2,819,306		2,986,124	
		13,483,734		10,689,439	
Total charity funds		15,024,981		12,472,034	

These accounts were approved by the Board of Trustees on and were signed on its behalf by:

M Khoja
Trustee

H Elias
Trustee

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

CHARITY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13.a		8,728,467		7,018,330
Current assets					
Debtors	15.a	1,345,339		1,109,032	
Cash at bank and in hand		1,620,809		2,139,824	
		<u>2,966,148</u>		<u>3,248,856</u>	
Creditors: amounts falling due within one year	17.a	(376,452)		(227,515)	
Net current assets			<u>2,589,696</u>		<u>3,021,341</u>
Total assets less current liabilities			<u>11,318,163</u>		<u>10,039,671</u>
Income funds					
Restricted funds	19		1,541,247		1,782,595
<u>Unrestricted funds</u>					
Designated funds	20.a	6,501,044		4,552,244	
General unrestricted funds	20.a	456,566		718,708	
Revaluation reserve	20.a	<u>2,819,306</u>		<u>2,986,124</u>	
			<u>9,776,916</u>		<u>8,257,076</u>
Total charity funds			<u>11,318,163</u>		<u>10,039,671</u>

These accounts were approved by the Board of Trustees onand were signed on its behalf by:

M Khoja
Trustee

H Elias
Trustee

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	£	2023 £	2022 £
Cash flows from operating activities				
Cash generated from operations	25		1,067,020	255,757
Investing activities				
Purchase of tangible fixed assets		(1,985,092)	(552,534)	
Purchase of investment property		-	(1,441,624)	
Investment income received		423,945	307,354	
Net cash generated from/(used in) investing activities			(1,561,147)	(1,686,804)
Financing activities				
Proceeds from new bank loans		-	2,750,000	
Repayment of bank loans		(27,482)	(1,312,592)	
Net cash used in financing activities			(27,482)	1,437,408
Net (decrease)/increase in cash and cash equivalents			(521,609)	6,361
Cash and cash equivalents at beginning of year			2,517,220	2,510,859
Cash and cash equivalents at end of year			1,995,611	2,517,220

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Khoja Shia Ithna-Asheri Muslim Community of Birmingham ("the charity") is a Charitable Incorporated Organisation registered in England and Wales. The charity is a UK registered charity. The principal place of business is 17 Clifton Street, Balsall Heath, Birmingham, B12 8SX.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's constitution, the Charities Act 2011 and the Charities SORP "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) (second edition – October 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 (effective 1 January 2019) rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements include the results for the year, of the charity and all associated companies that the group controls and their net assets at the year-end date. Transactions between associated undertakings are eliminated on consolidation. Control is the power to govern the financial and operating policies of the associated company so as to obtain benefits from its activities.

The group financial statements include the financial statements of the Khoja Shia Ithna-Asheri Muslim Community of Birmingham, Khoja Shia Ithna-Asheri Muslim Community (Baquir) Limited and Khoja Shia Ithna-Asheri Muslim Community (Jaaferi) Limited. A separate Statement of Financial Activities, or income and expenditure account, for the parent charity itself is not presented.

1.3 Going concern

The Trustees have considered the levels of funds held and the level of reserves for each member of the group. At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.5 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Income is recorded within the fund to which it relates. Third-party collections are recognised as incoming resources on restricted funds.

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when the charity becomes unconditionally entitled to the income. If the terms of a grant impose conditions the grant is only recognised as income when the conditions are met. Income received before the revenue recognition criteria are met are recognised as a liability.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.6 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Raising funds comprise the costs associated with attracting voluntary income and for costs incurred for the investment properties.

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. The onward transmission of third-party collection donations is recognised as charitable expenditure of restricted funds in accordance with the applicable accounting standards.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	Straight line over 25 years
Fixtures and fittings	25% straight line
Plant and equipment	25% straight line
Motor vehicles	25% straight line

Freehold land and assets in the course of construction are not depreciated.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of tangible assets, including Burial land, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value as at the reporting end date. The net gain or loss on revaluation is recognised in net income/(expenditure) for the year.

1.9 Retirement benefits

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1.11 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the charity's statement of financial position when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13. Burial land

The charity operates a Burial fund scheme for contributing members. To operate the scheme the charity has previously purchased plots of burial land. The accounting policy is to recognise Burial land in accordance with the accounting treatment of land. The accounting policy measures the purchase of Burial land at transaction price and subsequently carries the Burial land at historic cost less amortisation and impairment within tangible assets. The net book value of burial land is based primarily on the grave spaces and grave plots available for use at the reporting date. Amortisation and impairment losses are recorded as expenditure of the Burial fund.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Depreciation and amortisation are based on estimated useful life. Other estimates include the valuation of tangible assets and investment properties. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3.a Income Earned from other Activities

The following entities, incorporated in England and Wales, form part of the group:

	Control
Khoja Shia Ithna-Asheri Muslim Community (Baquir) Limited (company number 06391353)	100 % control of assets and operations
Khoja Shia Ithna-Asheri Muslim Community (Jaaferi) Limited (company number 06391478)	100 % control of assets and operations

	Khoja Shia Ithna-Asher Muslim Community (Baquir) Limited		Khoja Shia Ithna-Asher Muslim Community (Jaaferi) Limited	
	2023 £	2022 £	2023 £	2022 £
Total income	642,902	447,286	108,829	105,425
Total expenditure	(557,337)	(401,677)	(115,751)	(104,744)
Net gains on investments	1,195,811	667,326	-	-
Net income for the year	1,281,376	712,935	(6,922)	681
The assets and liabilities of the subsidiary were:				
Assets	7,329,639	6,082,695	80,444	23,635
Liabilities	(3,593,477)	(3,627,909)	(109,787)	(46,056)
Capital and Reserves	3,736,162	2,454,786	(29,343)	(22,421)

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3.b Financial performance of the charity

The Financial activities shown in the consolidated financial statements include those of the charity's associates. A summary of the financial activities undertaken by the charity is set out below:

	2023 £	2022 £
Income	2,558,387	1,125,700
Expenditure on raising funds	-	-
Expenditure on charitable activities	(1,279,895)	(1,084,493)
Other gains and losses	-	-
Net income for the year / Net movement in funds	1,278,492	41,207
Total funds brought forward	10,039,671	9,998,464
Total funds carried forward	11,318,163	10,039,671

4 Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts						
Burial contributions	32,863	-	32,863	66,053	-	66,053
Third party collections	-	358,289	358,289	-	210,486	210,486
General donations	96,497	-	96,497	61,427	-	61,427
Gift aid	53,062	-	53,062	83,902	-	83,902
Hardship funds	-	-	-	9,620	-	9,620
AIC project	-	1,579,499	1,579,499	-	332,925	332,925
Nyaz	89,884	-	89,884	39,272	-	39,272
Subscriptions	95,451	-	95,451	94,635	-	94,635
Sadka	-	19,409	19,409	-	16,767	16,767
	367,757	1,957,197	2,324,954	354,909	560,178	915,087

Contribution of volunteers

The Charity benefits greatly from the involvement and support of many volunteers who assist with a wide range of charitable and support activities. In accordance with FRS102 and the Charities SORP (FRS102) the economic contribution of general volunteers is not recognised in the financial statements.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Charitable activities

	Unrestricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Total Funds 2022 £
Secular Education fees	81,282	81,282	43,264	43,264
Madressa fees	54,438	54,438	30,191	30,191
Nursery fees	130,390	130,390	108,505	108,505
Burial fund income	56,710	56,710	70,508	70,508
	<u>322,820</u>	<u>322,820</u>	<u>252,468</u>	<u>252,468</u>

6 Other trading activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Advertising	2,920	-	2,920	2,352	-	2,352
Halls and Majlis	16,987	-	16,987	13,541	-	13,541
Senior citizen activities	-	11,735	11,735	-	30,980	30,980
Subcommittees	141,757	-	141,757	94,532	-	94,532
	<u>161,664</u>	<u>11,735</u>	<u>173,399</u>	<u>110,425</u>	<u>30,980</u>	<u>141,405</u>

7 Investment income

	Unrestricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Total Funds 2022 £
Rental income	401,219	401,219	304,042	304,042
Interest receivable	22,726	22,726	3,312	3,312
	<u>423,945</u>	<u>423,945</u>	<u>307,354</u>	<u>307,354</u>

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Investment property expenditure</u>						
Share of governance costs	2,938	-	2,938	2,575	-	2,575
Property management agents	-	-	-	9,970	-	9,970
Other fundraising costs	44,181	-	44,181	34,442	-	34,442
Depreciation and impairment	9,743	-	9,743	10,160	-	10,160
Share of support costs (see note 10)	301,928	-	301,928	201,347	-	201,347
	<u>358,790</u>	<u>-</u>	<u>358,790</u>	<u>258,494</u>	<u>-</u>	<u>258,494</u>
Fundraising and publicity	<u>358,790</u>	<u>-</u>	<u>358,790</u>	<u>258,494</u>	<u>-</u>	<u>258,494</u>

9 Charitable activities

	Religious £	Education £	Burial £	Total 2023 £	Total 2022 £
Staff costs	157,476	111,398	-	268,874	230,438
Depreciation and impairment	258,787	6,794	10,522	276,103	288,629
Charitable expenditure	459,293	100,590	-	559,883	348,347
Burial costs	-	-	21,424	21,424	25,581
	<u>875,556</u>	<u>218,782</u>	<u>31,946</u>	<u>1,126,284</u>	<u>892,995</u>
Share of support costs (see note 10)	365,191	28,005	-	393,196	371,601
Share of governance costs (see note 10)	7,200	2,512	-	9,712	6,825
	<u>1,247,947</u>	<u>249,299</u>	<u>31,946</u>	<u>1,529,192</u>	<u>1,271,421</u>

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Charitable activities (continued)

	Religious	Education	Burial	Total 2023
	£	£	£	£
Analysis by fund				
Unrestricted funds	1,015,481	249,299	31,946	1,296,726
Restricted funds	232,466	-	-	232,466
	<u>1,247,947</u>	<u>249,299</u>	<u>31,946</u>	<u>1,529,192</u>

For the year ended 31 December 2022

	Religious	Education	Burial	Total 2022
	£	£	£	£
Staff costs	127,861	102,577	-	230,438
Depreciation and impairment	258,379	7,738	22,512	288,629
Charitable expenditure	301,544	46,803	-	348,347
Burial costs	-	-	25,581	25,581
	<u>687,784</u>	<u>157,118</u>	<u>48,093</u>	<u>892,995</u>
Share of support costs (see note 10)	344,115	27,486	-	371,601
Share of governance cost (see note 10)	4,500	2,325	-	6,825
	<u>1,036,399</u>	<u>186,929</u>	<u>48,093</u>	<u>1,271,421</u>
Analysis by fund				
Unrestricted funds	860,050	186,929	48,093	1,095,072
Restricted funds	176,349	-	-	176,349
	<u>1,036,399</u>	<u>186,929</u>	<u>48,093</u>	<u>1,271,421</u>

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Support costs

	Support costs	Total	Support costs	Total	Basis of allocation
	2023	2023	2022	2022	
	£	£	£	£	
Operating lease charges	1,635	1,635	3,112	3,112	Usage
Premises costs	156,546	156,546	147,811	147,811	Directly attributable
Investment properties	75,409	75,409	39,794	39,794	Directly attributable
Finance costs	200,899	200,899	133,808	133,808	Directly attributable
Insurance	30,827	30,827	20,651	20,651	Directly attributable
Legal and professional	25,331	25,331	39,140	39,140	Directly attributable
Office expenses	26,317	26,317	10,662	10,662	Usage
Sub-committee	156,759	156,759	139,514	139,514	Directly attributable
Bank charges	10,505	10,505	20,533	20,533	Usage
Promotion and marketing	440	440	918	918	Usage
Bad and doubtful debts	10,456	10,456	17,005	17,005	Directly attributable
<u>Governance costs</u>					
Audit fees	12,650	12,650	9,400	9,400	Governance
	<u>707,774</u>	<u>707,774</u>	<u>582,348</u>	<u>582,348</u>	
<u>Analysed between:</u>					
<u>Fundraising</u>					
Share of support costs	301,928	301,928	201,347	201,347	
Governance costs	2,938	2,938	2,575	2,575	
<u>Charitable activities</u>					
Share of support costs	393,196	393,196	371,601	371,601	
Governance costs	9,712	9,712	6,825	6,825	
	<u>707,774</u>	<u>707,774</u>	<u>582,348</u>	<u>582,348</u>	

11 Trustees

None of the Trustees received any remuneration or benefits from the charity during the year (2022: £nil). The spouse of one Trustee is an employee of the charity and receives a normal rate of pay.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Nursery	8	12
Resident Alim	1	1
Caretaker	2	1
Others	7	5
	<u>18</u>	<u>19</u>

Employment costs

	2023 £	2022 £
Wages and salaries	268,255	229,956
Staff pension costs	619	482
	<u>268,874</u>	<u>230,438</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Tangible fixed assets - The group

	Freehold land and buildings £	Assets under construction £	Fixtures, fittings and equipment £	Motor vehicles £	Burial land £	Total £
Cost						
At 1 January 2023	7,322,841	2,192,299	455,059	18,630	388,218	10,377,047
Additions	<u>-</u>	<u>1,977,814</u>	<u>7,278</u>	<u>-</u>	<u>-</u>	<u>1,985,092</u>
At 31 December 2023	<u>7,322,841</u>	<u>4,170,113</u>	<u>462,337</u>	<u>18,630</u>	<u>388,218</u>	<u>12,362,139</u>
Depreciation and impairment						
At 1 January 2023	2,686,781	-	417,659	18,630	208,088	3,331,158
Depreciation charged in the year	253,459	-	21,865	-	-	275,324
Impairment losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,522</u>	<u>10,522</u>
At 31 December 2023	<u>2,940,240</u>	<u>-</u>	<u>439,524</u>	<u>18,630</u>	<u>218,610</u>	<u>3,617,004</u>
Carrying amount						
At 31 December 2023	<u>4,382,601</u>	<u>4,170,113</u>	<u>22,813</u>	<u>-</u>	<u>169,608</u>	<u>8,745,135</u>
At 31 December 2022	<u>4,636,060</u>	<u>2,192,299</u>	<u>37,400</u>	<u>-</u>	<u>180,130</u>	<u>7,045,889</u>

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13.a Tangible fixed assets – The charity

	Freehold land and buildings £	Assets under construction £	Fixtures, fittings and equipment £	Motor vehicles £	Burial land £	Total £
Cost						
At 1 January 2023	7,322,841	2,192,299	308,955	18,630	388,218	10,230,943
Additions	-	1,977,814	1,632	-	-	1,979,446
At 31 December 2023	<u>7,322,841</u>	<u>4,170,113</u>	<u>310,587</u>	<u>18,630</u>	<u>388,218</u>	<u>12,210,389</u>
Depreciation and impairment						
At 1 January 2023	2,686,781	-	299,114	18,630	208,088	3,212,613
Depreciation charged in the year	253,459	-	5,328	-	-	258,787
Impairment losses	-	-	-	-	10,522	10,522
At 31 December 2023	<u>2,940,240</u>	<u>-</u>	<u>304,442</u>	<u>18,630</u>	<u>218,610</u>	<u>3,481,922</u>
Carrying amount						
At 31 December 2023	<u>4,382,601</u>	<u>4,170,113</u>	<u>6,145</u>	<u>-</u>	<u>169,608</u>	<u>8,728,467</u>
At 31 December 2022	<u>4,636,060</u>	<u>2,192,299</u>	<u>9,841</u>	<u>-</u>	<u>180,130</u>	<u>7,018,330</u>

If Freehold land and buildings of the charity and group were carried at cost less depreciation instead of valuation the carrying amount at the reporting date would be £1,563,295 (2022: £1,649,936).

The carrying amount of the burial land is impaired to the historic cost of the unused burial plots at each reporting date. Impairment losses on the burial plots are recognised as Burial fund expenditure within unrestricted funds. Total unused graves remaining on 31 December 2023 was 123 (2022: 162). Certain graves can be used for burial for two if required.

14 Investment property - The group

	2023 £
Fair value	
At 1 January 2023	5,642,189
Net gains and losses through fair value adjustments	<u>1,195,811</u>
At 31 December 2023	<u>6,838,000</u>

Investment property comprises freehold property held for rental and capital appreciation purposes.

The fair value of the investment property has been arrived at from reviewing market evidence from sources not connected with the charity. The valuation is by the Trustees on an open market value basis.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Debtors - The group

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	170,119	74,321
Other debtors	411,574	211,793
Prepayments and accrued income	22,414	15,194
	<u>604,107</u>	<u>301,308</u>

15.a Debtors - The charity

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	96,651	44,060
Amounts due from fellow group undertakings	73,020	86,085
Other debtors	409,004	211,793
Prepayments and accrued income	13,664	14,094
	<u>592,339</u>	<u>356,032</u>
Amounts falling due after one year:		
Amounts due from fellow group undertakings	<u>753,000</u>	<u>753,000</u>
Total debtors	<u>1,345,339</u>	<u>1,109,032</u>

Amounts due from fellow group undertakings are interest free.

16 Loans and overdrafts

	2023 £	2022 £
Bank loans (secured)	<u>2,722,518</u>	<u>2,750,000</u>
Payable within one year	36,000	-
Payable after one year	<u>2,686,518</u>	<u>2,750,000</u>

Bank loans are repayable other than by instalments. A market rate of interest is charged until the loan is repaid.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Creditors: amounts falling due within one year - The group

	Notes	2023 £	2022 £
Bank loans (secured)	16	36,000	-
Other taxation and social security		-	1,024
Trade creditors		128,597	105,206
Other creditors		54,625	112,240
Accruals and deferred income		252,132	66,102
		<u>471,354</u>	<u>284,572</u>

Bank loans are secured by way of charges over certain investment properties owned by the group.

17.a Creditors: amounts falling due within one year - The charity

	2023 £	2022 £
Other taxation and social security	-	522
Trade creditors	121,699	100,036
Other creditors	18,563	75,622
Accruals and deferred income	236,190	51,335
	<u>376,452</u>	<u>227,515</u>

18 Creditors: amounts falling due after more than one year - The group

	Notes	2023 £	2022 £
Bank loans (secured)	16	<u>2,686,518</u>	<u>2,750,000</u>

Bank loans are secured by way of charges over certain investment properties owned by the group.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Restricted funds – The group and charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 Jan 2023	Movement in funds			Balance at 31 Dec 2023
	£	Income £	Expenditure £	Transfers £	£
AIC Project	1,586,821	1,579,499	-	(1,977,814)	1,188,506
Senior citizens	15,339	11,735	(18,744)	-	8,330
Third party collections	167,740	358,289	(205,672)	-	320,357
Sadka	12,695	19,409	(8,050)	-	24,054
	<u>1,782,595</u>	<u>1,968,932</u>	<u>(232,466)</u>	<u>(1,977,814)</u>	<u>1,541,247</u>

Year ended 31 December 2022

	Balance at 1 Jan 2022	Movement in funds			Balance at 31 Dec 2022
	£	Income £	Expenditure £	Transfers £	£
AIC Project	1,805,539	332,925	-	(551,643)	1,586,821
Senior citizens	34,305	30,980	(49,946)	-	15,339
Third party collections	62,057	210,486	(104,803)	-	167,740
Sadka	17,528	16,767	(21,600)	-	12,695
	<u>1,919,429</u>	<u>591,158</u>	<u>(176,349)</u>	<u>(551,643)</u>	<u>1,782,595</u>

19.a Description of restricted funds

AIC Project – a construction project for the design and build of the Mosque, Imambara and associated works.

Senior citizens – a specific fund for use on activities for senior citizens.

Third party collections - religious collections specifically collected on behalf of The World Federation and The Council of European Jamaats

Sadka – a specific fund for charitable giving to support hardship in communities

Reason for the transfers

The value of assets under construction purchased during the year has been transferred from the AIC Project restricted fund to the Building fund, within designated funds, since the asset has been purchased from restricted donations but the asset is held for designated purposes and not a restricted purpose.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Unrestricted funds – The group

	Movement in funds					
	Balance at 1 Jan 2023	Income	Expenditure	Revaluation gain/(loss)	Transfers	Balance at 31 Dec 2023
	£	£	£	£	£	£
<u>Designated Funds</u>						
Equipment fund	17,720	-	-	-	-	17,720
Burial fund	692,288	89,573	(31,946)	-	-	749,915
Building fund	3,842,236	-	(86,641)	-	1,977,814	5,733,409
<i>Sub-total designated funds</i>	4,552,244	89,573	(118,587)	-	1,977,814	6,501,044
General funds	3,151,071	1,186,613	(1,370,111)	1,195,811	-	4,163,384
Revaluation reserve	2,986,124	-	(166,818)	-	-	2,819,306
	10,689,439	1,276,186	(1,655,516)	1,195,811	1,977,814	13,483,734

Year ended 31 December 2022

	Movement in funds					
	Balance at 1 Jan 2022	Income	Expenditure	Revaluation gain/(loss)	Transfers	Balance at 31 Dec 2022
	£	£	£	£	£	£
<u>Designated Funds</u>						
Equipment fund	17,720	-	-	-	-	17,720
Burial fund	603,820	136,561	(48,093)	-	-	692,288
Building fund	3,377,234	-	(86,641)	-	551,643	3,842,236
<i>Sub-total designated funds</i>	3,998,774	136,561	(134,734)	-	551,643	4,552,244
General funds	2,646,066	889,693	(1,052,014)	667,326	-	3,151,071
Revaluation reserve	3,152,942	-	(166,818)	-	-	2,986,124
	9,797,782	1,026,254	(1,353,566)	667,326	551,643	10,689,439

20.a Unrestricted funds – The charity

	Movement in funds					
	Balance at 1 Jan 2023	Income	Expenditure	Revaluation gain/(loss)	Transfers	Balance at 31 Dec 2023
	£	£	£	£	£	£
<u>Designated Funds</u>						
Equipment fund	17,720	-	-	-	-	17,720
Burial fund	692,288	89,573	(31,946)	-	-	749,915
Building fund	3,842,236	-	(86,641)	-	1,977,814	5,733,409
<i>Sub-total designated funds</i>	4,552,244	89,573	(118,587)	-	1,977,814	6,501,044
General funds	718,708	499,882	(762,024)	-	-	456,566
Revaluation reserve	2,986,124	-	(166,818)	-	-	2,819,306
	8,257,076	589,455	(1,047,429)	-	1,977,814	9,776,916

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20.a Unrestricted funds – The charity (continued)

Year ended 31 December 2022

	Balance at 1 Jan 2022	Movement in funds			Transfers	Balance at 31 Dec 2022
	£	Income	Expenditure	Revaluation gain/(loss)	£	£
<u>Designated Funds</u>						
Equipment fund	17,720	-	-	-	-	17,720
Burial fund	603,820	136,561	(48,093)	-	-	692,288
Building fund	3,377,234	-	(86,641)	-	551,643	3,842,236
<i>Sub-total designated funds</i>	3,998,774	136,561	(134,734)	-	551,643	4,552,244
General funds	927,319	397,981	(606,592)	-	-	718,708
Revaluation reserve	3,152,942	-	(166,818)	-	-	2,986,124
	<u>8,079,035</u>	<u>534,542</u>	<u>(908,144)</u>	<u>-</u>	<u>551,643</u>	<u>8,257,076</u>

20.b Description of unrestricted funds

Equipment fund - donations designated for the purchase of equipment.

Burial – subscriptions and donations designated for the use of future burial needs and burial expenditure.

Building fund – a specific fund relating to the purchase of freehold land and buildings used by the charity.

General funds – funds for use at the discretion of the Trustees in the furtherance of the charity's objects

Revaluation reserve – this reflects the total revaluation above cost of freehold property accounted for under the revaluation model. The expenditure charged to the fund represents the depreciation charged during the year on the revaluation amount of property, plant and equipment.

Reason for the transfers

The value of assets under construction purchased during the year has been transferred from the AIC Project restricted fund to the Building fund, within designated funds, since the asset has been purchased from restricted donations but the asset is held for designated purposes and not a restricted purpose.

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances are represented by:						
Tangible assets	8,745,135	-	8,745,135	7,045,889	-	7,045,889
Investment properties	6,838,000	-	6,838,000	5,642,189	-	5,642,189
Current assets/(liabilities)	587,117	1,541,247	2,128,364	751,361	1,782,595	2,533,956
Long term liabilities	(2,686,518)	-	(2,686,518)	(2,750,000)	-	(2,750,000)
	<u>13,483,734</u>	<u>1,541,247</u>	<u>15,024,981</u>	<u>10,689,439</u>	<u>1,782,595</u>	<u>12,472,034</u>

22 Capital Commitments

The charity has contractual capital commitments in respect of the design and build of the Mosque, Imambara and associated works. Total costs contracted for, including those already incurred, are estimated to be approximately £7million. Future costs of the project have not been recognised in these financial statements, except to the extent that the work has been carried out by the reporting end date.

23 Related party transactions

During the year the Trustees, and their close family members, paid donations and religious dues to the charity totalling £44,535 (2022: £55,289). Organisations in which Trustees are also directors or trustees donated amounts totalling £30,035, including £3,000 for refurbishment of the Nursery and £2,000 for the Lady Fizza Quran Competition. No amounts were due to or from Trustees at the reporting end date (2022: £nil).

24 Connected parties

The charity, although independent, is involved with a wider network of charities. It is a member of The Council of European Jamaats (COEJ) which represents the charity at the global organisation, The World Federation of Khoja Shia Ithna-Asheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK. WF represents Birmingham Jamaat when dealing with international work which includes disaster and general relief outside the UK. Receipts and Payments for COEJ and WF are recognised as a third-party collections restricted fund. WF also provides voluntary donations to the charity towards building the Mosque and Imambara. Included within debtors are amounts owed by WF to the charity of £349,182 (2022: £146,645).

THE MUSLIM KHOJA SHIA ITHNA-ASHERI COMMUNITY OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Cash generated from operations

	2023 £	2022 £
Surplus for the year	2,552,947	754,823
<u>Adjustments for:</u>		
Investment income recognised in Statement of Financial Activities	(423,945)	(307,354)
Fair value gains and losses on investment properties	(1,195,811)	(667,326)
Depreciation and impairment of tangible assets	285,846	298,789
<u>Movements in working capital:</u>		
(Increase)/decrease in debtors	(302,799)	11,720
Increase in creditors	150,782	165,105
Cash generated from operations	1,067,020	255,757

26 Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	2,517,220	(521,609)	1,995,611
Loans falling due within one year	-	(36,000)	(36,000)
Loans falling due after more than one year	(2,750,000)	63,482	(2,686,518)
	<u>(232,780)</u>	<u>(494,127)</u>	<u>(726,907)</u>