

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Trustees	Dr. M Khoja Dr. M Janmohamed Sis. I Ramji Br. H Jaffer Br. M A Railey Br. H Elias Br. Esmail Br. H Bandali Sis. F Mawji Dr. R Hamer Br. S Hassam Br. M Virani Br. A Ismail Dr. R Alidina Sis. H Khimji Sis. F Bandali	President Vice president Secretary General Deputy Secretary General Treasurer Head of Finance Executive Committee Member Executive Committee Member Executive Committee Member Executive Committee Member Executive Committee Member Executive Committee Member Chair Education Board Chair Building Committee Chairlady Ladies Honorary Secretary
Registered charity number	1170675	
CIO number	CE009331	
Principal address	17 Clifton Road Balsall Heath Birmingham B12 8SX	
Auditor	Deitch Cooper LLP 1 <sup>st</sup> 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 2024***

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The Trustees present their annual report and the consolidated financial statements for the year ended 31 December 2024. 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 2024

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#### Achievements and performance

One of the highlights of this past year was hosting the WF EXCO meeting here in Birmingham December 2024. The event was a resounding success, with delegates from Jamaats around the world in attendance. Our volunteers truly excelled, proactive, welcoming, and always ready to assist. Their hard work left a lasting impression on all who attended.

The Muhammadi Madrasah has continued its mission to provide a robust Islamic education, nurture a love for Ahlulbayt, and support the spiritual growth of its students. Ability-Based Quranic Learning: In 2024, the Madrasah transitioned from year-based class groupings to ability-based groupings, tailoring instruction to each student's learning level. This has significantly enhanced student progress and engagement. Teachers also received continuous Quran training to further improve their instructional effectiveness. MCE RSE Curriculum Pilot: Muhammadi Madrasah successfully piloted the MCE Relationship and Sex Education (RSE) curriculum. Fifteen teachers completed training, and the modules were implemented effectively. Ongoing collaboration with MCE ensured consistent feedback and improvements, addressing vital topics impacting youth.

The Children's Tabligh Committee (CTC) is dedicated to nurturing the spiritual and personal development of children through engaging events, workshops, and community initiatives. This report highlights the subcommittee's key achievements, challenges, and strategic plans for 2024. CTC delivered a variety of spiritual and educational programs designed to inspire and engage children. Highlights included the Rajab Replenish Event, Imam-e-Zamana (AS) Day, and parallel amaals during Ramadhan, which encouraged active participation in faith-based activities. Innovative initiatives such as Programming and AI and Dragons' Den offered skill-building opportunities, while socially conscious projects like the Muharram with Food Drive and Gaza Food Parcels. Fundraising reinforced the committee's commitment to community service and humanitarian causes. Collaboration and interactive learning, delivering programs such as Hajj with Sun Behind the Cloud and Get Social With Sheikh Hilli, which provided children with hands-on, meaningful experiences and strengthened connections with the wider community. Through these efforts, CTC has successfully combined spiritual development, education, and social responsibility, laying a strong foundation for continued engagement and growth in 2024.

BAYN delivered a series of standout events that left a lasting impression. The Sehri Night with Sheikh M.J. Shomali and Sister Zahraa brought together heartfelt discussions, nasheeds, spiritual reflection, and a communal sehri followed by Fajr prayers. The Flag Changing Ceremony involved children in a march to mark the start of Muharram, leading into the youth-led *Mawkib al-Abbas*, an Arbaeen-style service to the community. Innovation also played a role through the VR Karbala project, which used immersive technology to bring history to life. Meanwhile, the Palestine Film Fest raised over £2,000 for humanitarian efforts, demonstrating BAYN's commitment to global causes.

Alongside major events, BAYN strengthened its long-term vision by establishing ongoing initiatives such as *Karak Chats*, *Jumeraat Takeovers*, socials, and workshops. These regular activities ensured consistent engagement and supported young people holistically, spiritually, socially, personally, and professionally. Through these achievements, BAYN has reaffirmed its role as a vital platform for youth empowerment and community connection. Building on the successes of 2024, it is well-placed to expand its reach and continue shaping the next generation. The Masoomin Sports Club has continued its mission of fostering sports participation and promoting community well-being by creating opportunities for individuals of all ages and backgrounds. This report outlines the subcommittee's key achievements and future direction. A major highlight was the Ali Asghar Water Appeal Walkathon, which combined physical activity with charitable giving. The event brought together participants of all ages, raising funds and awareness for a vital cause while reflecting the club's commitment to uniting sport with service. The Senior Ladies' Sports Day was another significant initiative, offering a welcoming space for senior women to engage in fitness and well-being. By tailoring activities to this group, the club promoted inclusion and demonstrated its dedication to making sport accessible to all. Through these initiatives, the Masoomin Sports Club has shown the power of sport to strengthen both individual health and community bonds. These achievements provide a strong foundation for future growth in participation, engagement, and service.

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### AIC Capital Project

Our Principal Contractor has entered Administration in April 2025. As a result, the JCT Design and Build Contract is no longer in place, which includes costs and timescales. We are in the process of setting up an alternative delivery structure. We are currently focusing on making the building water-tight by end of November 2025. Design work for the Interiors, Kitchen and AV is progressing as normal. We remain committed to completing the Project by the second half of 2026. However, the challenges remain with the construction work. We shall continue to keep you updated on the costs and timescales.

#### 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 £4,026,021 (2023: £3,245,118), which includes income from investments of £478,312 (2023: £423,945). Charity accounting standards require an annual revaluation of the investment properties held by the group and this amounted to a revaluation loss of £1,000,040 (2023: £1,195,811 gain). During the current financial year, the properties used for the Charity's own activities were also revalued downwards by £2,529,142. The group made an overall deficit for the year of £1,709,451 (2023: £2,552,947 surplus). Income received during the year exceeded expenditure however temporary downward revaluations in the market value of properties have had an impact on unrestricted funds. As at the reporting date, total unrestricted funds amounted to £11,568,241 (2023: £13,483,734) and total restricted funds amounted to £1,747,289 (2023: £1,541,247). These amounts will be carried forward for use in future periods. More detailed breakdowns of the movements and balances on the individual restricted funds and designated unrestricted funds can be found in the notes to the financial statements.

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.

Over the past few months, we have actively reviewed all rental income sources to ensure they align with market rates and contractual agreements. This has included discussions with tenants and a review of current lease arrangements. We will continue this process to strengthen our regular income base, helping to pay down our current bank loans and leaving future generations free of debt.

The current membership contribution has remained unchanged since 2010. Recognising the rising costs of operations and community services, we have raised this matter for review. We aim to propose a modest and fair adjustment, in consultation with the wider membership, to reflect current economic realities while remaining Accessible.

We are pleased to share that Stripe has now been fully integrated and automated, allowing direct payments to individual subcommittee accounts. This improvement enhances efficiency, reduces manual work, and ensures funds are accurately allocated.

Our finance systems and controls will be further strengthened to support our growing operational needs and improve reporting accuracy. Continued review of regular expenses will ensure that we use community funds wisely and responsibly.

We will work closely with subcommittees and department leads to ensure timely reporting and support for budgeting needs.

#### 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 Disclosure and Barring Service (DBS) checks, supported by regularly reviewed policies, are made for all those who work with children or other vulnerable groups within the Charity's activities.

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

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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**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	
M Virani	Appointed 9 August 2024
A Esmail	Appointed 26 July 2024
A Ismail	Appointed 26 July 2024
M Railey	
S Hassam	
F Mawji	Appointed 26 July 2024
R Alidina	
R Hamer	Appointed 9 August 2024
F Bandali	
M Janmohamed	
H Asaria	Resigned 7 July 2025
H Khimji	
H Jaffer	
H Bandali	
H Elias	
I Ramji	Appointed 7 July 2025

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 (Jaaferi) 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 Trustees and Executive Committee, as well as members of subcommittees, are neither remunerated nor paid any expenses.

**Plans for future periods**

As our charity continues to grow and attract more donations, we are planning to introduce automation to help streamline our processes. With the increasing number of supporters and donations, automation will make our operations more efficient and help reduce errors.

We also plan to transition to a cashless system, relying solely on card payments. This change will make transactions smoother and more secure, while also easing the administrative tasks involved in handling cash. Over the past few years, reconciling cash with our accounting records has been a bit inconsistent. To address this, we're focusing on finding a way to ensure that all card payments match up with our accounting system and the bank statement. This will help improve the accuracy and transparency of our financial reporting.

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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### 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.

### 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' Report was approved by the Board of Trustees.

Signed by:  
  
 32053F682F65438...  
 H Elias  
 Trustee

16 September 2025



# 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

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#### 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 2024, 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

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#### **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:

- 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.

As part of designing our audit procedures, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may 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. We also considered potential financial or other pressures, opportunity, and motivations for fraud. As part of this, we identified the internal controls established to mitigate these risks and how management monitor these processes. We completed a review of transactions and journals taken from throughout the period. 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**

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

To address the risks of fraud through management bias and override of controls, our audit included 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. Significant audit attention was paid to judgements and accounting estimates in relation to all property valuations and the recoverability of amounts recorded as debtors, including the related disclosures in the financial statements. We also addressed the risk of management override of internal controls including testing and evaluation of whether there was evidence of bias by the Trustees that represented a risk of material misstatement. We have nothing to report in this regard.

There are many laws and regulations, relating principally to the operating aspects of the company, that typically do not affect the financial statements and as such are not captured by the entity's information systems relevant to financial reporting. It is the responsibility of management to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations. The auditor is not responsible for preventing non-compliance and we cannot be expected to detect non-compliance with all laws and regulations. Representations were obtained from the board of directors that there is no identified or suspected non-compliance with any laws and regulations.

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](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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**  
**Accountants**

16 September 2025

**Statutory Auditor**

1<sup>st</sup> 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.

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# 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 2024**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b><u>Income from:</u></b>						
Donations and legacies	401,186	2,590,395	2,991,581	367,757	1,957,197	2,324,954
Charitable activities	359,101	-	359,101	322,820	-	322,820
Other trading activities	170,341	26,686	197,027	161,664	11,735	173,399
Investments	478,312	-	478,312	423,945	-	423,945
<b>Total income</b>	<u>1,408,940</u>	<u>2,617,081</u>	<u>4,026,021</u>	<u>1,276,186</u>	<u>1,968,932</u>	<u>3,245,118</u>
<b><u>Expenditure on:</u></b>						
Raising funds	<u>367,124</u>	<u>-</u>	<u>367,124</u>	<u>358,790</u>	<u>-</u>	<u>358,790</u>
Charitable activities	<u>1,272,164</u>	<u>566,402</u>	<u>1,838,566</u>	<u>1,296,726</u>	<u>232,466</u>	<u>1,529,192</u>
<b>Total expenditure</b>	<u>1,639,288</u>	<u>566,402</u>	<u>2,205,690</u>	<u>1,655,516</u>	<u>232,466</u>	<u>1,887,982</u>
Revaluation of investment properties	<u>(1,000,640)</u>	<u>-</u>	<u>(1,000,640)</u>	<u>1,195,811</u>	<u>-</u>	<u>1,195,811</u>
<b>Net incoming resources before transfers</b>	<u>(1,230,988)</u>	<u>2,050,679</u>	<u>819,691</u>	<u>816,481</u>	<u>1,736,466</u>	<u>2,552,947</u>
Gross transfers between funds	1,844,637	(1,844,637)	-	1,977,814	(1,977,814)	-
<b>Other recognised gains and losses:</b>						
Revaluation of tangible assets	<u>(2,529,142)</u>	<u>-</u>	<u>(2,529,142)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>	<u>(1,915,493)</u>	<u>206,042</u>	<u>(1,709,451)</u>	<u>2,794,295</u>	<u>(241,348)</u>	<u>2,552,947</u>
<b>Reconciliation of funds:</b>						
Fund balances at 1 January 2024	13,483,734	1,541,247	15,024,981	10,689,439	1,782,595	12,472,034
<b>Fund balances at 31 December 2024</b>	<u>11,568,241</u>	<u>1,747,289</u>	<u>13,315,530</u>	<u>13,483,734</u>	<u>1,541,247</u>	<u>15,024,981</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 2024**

	Notes	2024 £	£	2023 £	£
<b>Fixed assets</b>					
Tangible assets	13	7,799,019		8,745,135	
Investment property	14	5,837,360		6,838,000	
		<u>13,636,379</u>		<u>15,583,135</u>	
<b>Current assets</b>					
Debtors	15	607,865		604,107	
Cash at bank and in hand		2,158,908		1,995,611	
		<u>2,766,773</u>		<u>2,599,718</u>	
<b>Creditors: amounts falling due within one year</b>	17	(449,170)		(471,354)	
<b>Net current assets</b>		<u>2,317,603</u>		<u>2,128,364</u>	
<b>Total assets less current liabilities</b>		<u>15,953,982</u>		<u>17,711,499</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	(2,638,452)		(2,686,518)	
<b>Net assets</b>		<u><u>13,315,530</u></u>		<u><u>15,024,981</u></u>	
<b>Income funds</b>					
Restricted funds	19	1,747,289		1,541,247	
<u>Unrestricted funds</u>					
Designated funds	20	8,376,901		6,501,044	
General unrestricted funds	20	3,067,994		4,163,384	
Revaluation reserve	20	123,346		2,819,306	
		<u>11,568,241</u>		<u>13,483,734</u>	
<b>Total charity funds</b>		<u><u>13,315,530</u></u>		<u><u>15,024,981</u></u>	

These accounts were approved by the Board of Trustees on 16 September 2025 and are signed on its behalf:

DocuSigned by:  
  
 B99D6761DCA5440...  
**M Khoja**  
**Trustee**

Signed by:  
  
 32053F682F65438...  
**H Elias**  
**Trustee**

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## CHARITY STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2024**

	Notes	2024 £	£	2023 £	£
<b>Fixed assets</b>					
Tangible assets	13.a		7,793,006		8,728,467
<b>Current assets</b>					
Debtors	15.a	1,332,382		1,345,339	
Cash at bank and in hand		1,708,591		1,620,809	
		<u>3,040,973</u>		<u>2,966,148</u>	
<b>Creditors: amounts falling due within one year</b>	17.a	<u>(353,280)</u>		<u>(376,452)</u>	
<b>Net current assets</b>			<u>2,687,693</u>		<u>2,589,696</u>
<b>Total assets less current liabilities</b>			<u>10,480,699</u>		<u>11,318,163</u>
<b>Income funds</b>					
Restricted funds	19		1,747,289		1,541,247
<u>Unrestricted funds</u>					
Designated funds	20.a	8,376,901		6,501,044	
General unrestricted funds	20.a	233,163		456,566	
Revaluation reserve	20.a	<u>123,346</u>		<u>2,819,306</u>	
			<u>8,733,410</u>		<u>9,776,916</u>
<b>Total charity funds</b>			<u>10,480,699</u>		<u>11,318,163</u>

These accounts were approved by the Board of Trustees on 16 September 2025 and are signed on its behalf:

DocuSigned by:  
  
 M Khoja  
 Trustee

Signed by:  
  
 H Elias  
 Trustee

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## CONSOLIDATED STATEMENT OF CASH FLOWS

***FOR THE YEAR ENDED 31 DECEMBER 2024***

	Notes	£	2024 £	2023 £
<b>Cash flows from operating activities</b>				
Cash generated from operations	25		1,611,378	1,067,020
<b>Investing activities</b>				
Purchase of tangible fixed assets		(1,884,327)	(1,985,092)	
Investment income received		478,312	423,945	
<b>Net cash generated from/(used in) investing activities</b>			(1,406,015)	(1,561,147)
<b>Financing activities</b>				
Repayment of bank loans		(42,066)	(27,482)	
<b>Net cash used in financing activities</b>			(42,066)	(27,482)
<b>Net increase/(decrease) in cash and cash equivalents</b>			163,297	(521,609)
Cash and cash equivalents at beginning of year			1,995,611	2,517,220
<b>Cash and cash equivalents at end of year</b>			2,158,908	1,995,611

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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 2024

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#### 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 2024

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#### 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 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 2024

## 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. They are based on historical experience and any other factors that may be relevant and are believed to be reasonable. Estimates and judgements are continually evaluated. If estimates and judgements are subsequently revised, revisions to accounting estimates are recognised as arising in the financial reporting period in which the estimate is revised.

The principal areas involving significant accounting estimates or judgements are the estimation of fair values of investment properties and the recoverability of amounts reported within debtors as owed to the charity. The Trustees consider these estimates to be reliable however actual results may differ from these estimates and revisions to these estimates to reflect actual results may arise in a subsequent financial reporting period.

### 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

The aggregate assets and liabilities and the result for the year of the subsidiaries noted above were as follows:

	Khoja Shia Ithna-Asher Muslim Community (Baquir) Limited		Khoja Shia Ithna-Asher Muslim Community (Jaaferi) Limited	
	2024	2023	2024	2023
	£	£	£	£
Total income	680,827	642,902	128,296	108,829
Total expenditure	(549,693)	(557,337)	(75,000)	(115,751)
Net gains on investments	(1,000,640)	1,195,811	-	-
<b>Net (expenditure)/income</b>	<b>(869,506)</b>	<b>1,281,376</b>	<b>(2,481)</b>	<b>(6,922)</b>
Assets	6,460,021	7,329,639	169,919	80,444
Liabilities	(3,593,365)	(3,593,477)	(201,743)	(109,787)
<b>Capital and Reserves</b>	<b>2,866,656</b>	<b>3,736,162</b>	<b>(31,824)</b>	<b>(29,343)</b>

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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:

	2024 £	2023 £
Income	3,291,898	2,558,387
Expenditure on raising funds	-	-
Expenditure on charitable activities	(1,600,220)	(1,279,895)
Other gains and losses	-	-
Net income for the year / Net movement in funds	1,691,678	1,278,492
Revaluation of tangible fixed assets	(2,529,142)	-
Total funds brought forward	11,318,163	10,039,671
Total funds carried forward	10,480,699	11,318,163

#### 4 Donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Donations and gifts</b>						
Burial contributions	25,955	-	25,955	32,863	-	32,863
Third party collections	-	518,328	518,328	-	358,289	358,289
General donations	118,837	-	118,837	96,497	-	96,497
Gift aid	108,105	-	108,105	53,062	-	53,062
AIC project	-	2,053,522	2,053,522	-	1,579,499	1,579,499
Nyaz	52,591	-	52,591	89,884	-	89,884
Subscriptions	95,698	-	95,698	95,451	-	95,451
Sadka	-	18,545	18,545	-	19,409	19,409
	401,186	2,590,395	2,991,581	367,757	1,957,197	2,324,954

#### 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 2024

#### 5 Charitable activities

	Unrestricted Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Total Funds 2023 £
Secular Education fees	77,326	77,326	81,282	81,282
Madressa fees	64,991	64,991	54,438	54,438
Nursery fees	157,678	157,678	130,390	130,390
Burial fund income	59,106	59,106	56,710	56,710
	<u>359,101</u>	<u>359,101</u>	<u>322,820</u>	<u>322,820</u>

#### 6 Other trading activities

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Advertising	3,510	-	3,510	2,920	-	2,920
Halls and Majlis	22,113	-	22,113	16,987	-	16,987
Senior citizen activities	-	26,686	26,686	-	11,735	11,735
Subcommittees	144,718	-	144,718	141,757	-	141,757
	<u>170,341</u>	<u>26,686</u>	<u>197,027</u>	<u>161,664</u>	<u>11,735</u>	<u>173,399</u>

#### 7 Investment income

	Unrestricted Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Total Funds 2023 £
Rental income	433,933	433,933	401,219	401,219
Interest receivable	44,379	44,379	22,726	22,726
	<u>478,312</u>	<u>478,312</u>	<u>423,945</u>	<u>423,945</u>

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 8 Raising funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<u>Investment property expenditure</u>						
Share of governance costs	4,563	-	4,563	2,938	-	2,938
Property management agents	-	-	-	-	-	-
Other fundraising costs	42,159	-	42,159	44,181	-	44,181
Depreciation and impairment	6,967	-	6,967	9,743	-	9,743
Share of support costs	313,435	-	313,435	301,928	-	301,928
	<u>367,124</u>	<u>-</u>	<u>367,124</u>	<u>358,790</u>	<u>-</u>	<u>358,790</u>
Fundraising and publicity	<u>367,124</u>	<u>-</u>	<u>367,124</u>	<u>358,790</u>	<u>-</u>	<u>358,790</u>

#### 9 Charitable activities

	Religious £	Education £	Burial £	Total 2024 £	Total 2023 £
Staff costs	170,253	138,281	-	308,534	268,874
Depreciation and impairment	268,024	6,433	19,877	294,334	276,103
Charitable expenditure	779,227	75,133	-	854,360	559,883
Burial costs	-	-	33,963	33,963	21,424
	<u>1,217,504</u>	<u>219,847</u>	<u>53,840</u>	<u>1,491,191</u>	<u>1,126,284</u>
Share of support costs	318,080	12,368	-	330,448	393,196
Share of governance costs	10,800	6,127	-	16,927	9,712
	<u>1,546,384</u>	<u>238,342</u>	<u>53,840</u>	<u>1,838,566</u>	<u>1,529,192</u>

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 9 Charitable activities (continued)

	Religious	Education	Burial	Total 2024
	£	£	£	£
<b>Analysis by fund</b>				
Unrestricted funds	979,982	238,342	53,840	1,272,164
Restricted funds	566,402	-	-	566,402
	<u>1,546,384</u>	<u>238,342</u>	<u>53,840</u>	<u>1,838,566</u>

#### For the year ended 31 December 2023

	Religious	Education	Burial	Total 2023
	£	£	£	£
Staff costs	157,476	111,398	-	268,874
Depreciation and impairment	258,787	6,794	10,522	276,103
Charitable expenditure	459,293	100,590	-	559,883
Burial costs	-	-	21,424	21,424
	<u>875,556</u>	<u>218,782</u>	<u>31,946</u>	<u>1,126,284</u>
Share of support costs	365,191	28,005	-	393,196
Share of governance costs	7,200	2,512	-	9,712
	<u>1,247,947</u>	<u>249,299</u>	<u>31,946</u>	<u>1,529,192</u>
<b>Analysis by fund</b>				
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>

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 10 Support costs

	Support costs	Total	Support costs	Total	Basis of allocation
	2024	2024	2023	2023	
	£	£	£	£	
Operating lease charges	2,830	2,830	1,635	1,635	Usage
Premises costs	94,335	94,335	156,546	156,546	Directly attributable
Investment properties	66,168	66,168	75,409	75,409	Directly attributable
Finance costs	217,887	217,887	200,899	200,899	Directly attributable
Insurance	31,491	31,491	30,827	30,827	Directly attributable
Legal and professional	19,934	19,934	25,331	25,331	Directly attributable
Office expenses	47,074	47,074	26,317	26,317	Usage
Sub-committee expenses	137,702	137,702	156,759	156,759	Directly attributable
Bank charges	2,008	2,008	10,505	10,505	Usage
Promotion and marketing	865	865	440	440	Usage
Bad and doubtful debts	23,589	23,589	10,456	10,456	Directly attributable

#### Governance costs

Audit fees	21,490	21,490	12,650	12,650	Governance
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665,373	665,373	707,774	707,774
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#### Analysed between:

#### Fundraising

Support costs	313,435	313,435	301,928	301,928
Governance costs	4,563	4,563	2,938	2,938

#### Religious activities

Support costs	318,080	318,080	365,191	365,191
Governance costs	10,800	10,800	7,200	7,200

#### Education activities

Support costs	12,368	12,368	28,005	28,005
Governance costs	6,127	6,127	2,512	2,512

665,373	665,373	707,774	707,774
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#### 11 Trustees

During the reporting period Br. A Ismail, a Trustee, was paid normal remuneration for their services as a teacher totalling £3,916 (2023: £nil). None of the Trustees received any other remuneration or benefits from the charity during the year (2023: £nil). The spouse of a 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 2024

#### 12 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Nursery	8	8
Resident Alim	1	1
Caretaker	2	2
Others	7	7
	<u>18</u>	<u>18</u>

##### Employment costs

	2024 £	2023 £
Wages and salaries	307,708	268,255
Staff pension costs	826	619
	<u>308,534</u>	<u>268,874</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 £
<b>Cost</b>						
At 1 January 2024	7,322,841	4,170,113	462,336	18,630	388,218	12,362,138
Additions	-	1,844,637	2,745	36,945	-	1,884,327
Revaluation	<u>(5,772,841)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,772,841)</u>
At 31 December 2024	<u>1,600,000</u>	<u>6,014,750</u>	<u>465,081</u>	<u>55,575</u>	<u>388,218</u>	<u>8,523,624</u>
<b>Depreciation and impairment</b>						
At 1 January 2024	2,940,240	-	439,523	18,630	218,610	3,617,003
Depreciation charged in the year	253,459	-	18,729	9,236	-	281,424
Impairment losses	-	-	-	-	19,877	19,877
Revaluation	<u>(3,193,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,193,699)</u>
At 31 December 2024	<u>-</u>	<u>-</u>	<u>458,252</u>	<u>27,866</u>	<u>238,487</u>	<u>724,605</u>
<b>Carrying amount</b>						
At 31 December 2024	<u>1,600,000</u>	<u>6,014,750</u>	<u>30,454</u>	<u>27,709</u>	<u>149,731</u>	<u>7,799,019</u>
At 31 December 2023	<u>4,382,601</u>	<u>4,170,113</u>	<u>1,044</u>	<u>-</u>	<u>169,608</u>	<u>8,745,135</u>

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 13 Tangible fixed assets - The group (continued)

Land and buildings include revalued assets with a carrying amount of £1,600,000 (2023: £4,382,601). The most recent valuation by an independent valuer had an effective date of 31 December 2024 and was made by a qualified Chartered Surveyor not connected to the charity. The Chartered Surveyor's report stated that the valuations are an indicative guide to the freehold interest but are not a formal valuation. No tax charge is expected to crystallise due to the available tax exemptions therefore no deferred taxation has been provided.

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 (2023: £1,563,295).

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 2024 was 106 (2023: 123). Certain graves can be used for burial for two if required.

#### 13.a Tangible fixed assets – The charity

	Freehold land and buildings £	Assets under construction £	Fixtures, fittings and equipment £	Motor vehicles £	Burial land £	Total £
<b>Cost</b>						
At 1 January 2024	7,322,841	4,170,113	310,587	18,630	388,218	12,210,389
Additions	-	1,844,637	-	36,945	-	1,881,582
Revaluation	(5,722,841)	-	-	-	-	(5,722,841)
At 31 December 2024	<u>1,600,000</u>	<u>6,014,750</u>	<u>310,587</u>	<u>55,575</u>	<u>388,218</u>	<u>8,369,130</u>
<b>Depreciation and impairment</b>						
At 1 January 2024	2,940,240	-	304,442	18,630	218,610	3,481,922
Depreciation charged in the year	253,459	-	5,329	9,236	-	268,024
Impairment losses	-	-	-	-	19,877	19,877
Eliminated in respect of disposals	(3,193,699)	-	-	-	-	(3,193,699)
At 31 December 2024	<u>-</u>	<u>-</u>	<u>309,771</u>	<u>27,866</u>	<u>238,487</u>	<u>576,124</u>
<b>Carrying amount</b>						
At 31 December 2024	<u>1,600,000</u>	<u>6,014,750</u>	<u>816</u>	<u>27,709</u>	<u>149,731</u>	<u>7,793,006</u>
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>

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 13.a Tangible fixed assets – The charity (continued)

Land and buildings include revalued assets with a carrying amount of £1,600,000 (2023: £4,382,601). The most recent valuation by an independent valuer had an effective date of 31 December 2024 and was made by a qualified Chartered Surveyor not connected to the charity. The Chartered Surveyor's report stated that the valuations are an indicative guide to the freehold interest but are not a formal valuation. No tax charge is expected to crystallise due to the available tax exemptions therefore no deferred taxation has been provided.

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 (2023: £1,563,295).

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 2024 was 106 (2023: 123). Certain graves can be used for burial for two if required.

#### 14 Investment property - The group

	2024 £
<b>Fair value</b>	
At 1 January 2024	6,838,000
Net gains and losses through fair value adjustments	(1,000,640)
	<u>5,837,360</u>
At 31 December 2024	<u>5,837,360</u>

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

Investment properties are carried at their fair value at the reporting date. At the end of each reporting period, the Board of Trustees updates its assessment of the fair values of properties owned by the charity, taking account of the most recent valuations by external, independent and qualified valuers. The fair value adjustments form part of the surplus or deficit for the year on unrestricted funds. The most recent external independent valuation of these investment properties was performed as at 31 December 2024.

The investment property fair value estimates as at 31 December 2024 are based on capitalised income projections, based on a property's estimated rental income from its current tenants, and a capitalisation rate of 10% determined by a Chartered Surveyor. The property values provided by the Chartered Surveyor are also aggregated by location rather than providing a separate value for each property. The Chartered Surveyors engaged by the Trustees to assess market value reported that this drive-by valuation technique is an indicative guide of market value of the freehold interests based on limited information and is not a formal valuation. In the opinion of the Board of Trustees, these desktop values provide a reliable fair value of investment properties.

#### 15 Debtors - The group

	2024 £	2023 £
<b>Amounts falling due within one year:</b>		
Trade debtors	164,145	170,119
Other debtors	405,479	411,574
Prepayments and accrued income	38,241	22,414
	<u>607,865</u>	<u>604,107</u>

Other debtors include gift aid claims of £167,679 (2023: £59,574) not yet received at the reporting date.

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 15.a Debtors - The charity

	2024 £	2023 £
<b>Amounts falling due within one year:</b>		
Trade debtors	56,367	96,651
Amount owed by subsidiary undertakings	-	120
Amounts owed by fellow group undertakings	115,209	72,900
Other debtors	369,565	409,004
Prepayments and accrued income	38,241	13,664
	<u>579,382</u>	<u>592,339</u>
<b>Amounts falling due after one year:</b>		
Amounts due from fellow group undertakings	<u>753,000</u>	<u>753,000</u>
<b>Total debtors</b>	<u>1,332,382</u>	<u>1,345,339</u>

Other debtors include gift aid claims of £167,679 (2023: £59,574) not yet received at the reporting date.  
Amounts due from fellow group undertakings are interest free and have no fixed term for repayment.

#### 16 Loans and overdrafts

	2024 £	2023 £
Bank loans (secured)	<u>2,680,452</u>	<u>2,722,518</u>
Payable within one year	42,000	36,000
Payable after one year	<u>2,638,452</u>	<u>2,686,518</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 2024

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

	Notes	2024 £	2023 £
Bank loans (secured)	16	42,000	36,000
Other taxation and social security		-	-
Trade creditors		106,518	128,597
Other creditors		55,729	54,625
Accruals and deferred income		244,923	252,132
		<u>449,170</u>	<u>471,354</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

	2024 £	2023 £
Other taxation and social security	-	-
Trade creditors	100,929	121,699
Amounts owed to subsidiary undertakings	9,382	-
Other creditors	16,557	18,563
Accruals and deferred income	226,412	236,190
	<u>353,280</u>	<u>376,452</u>

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

	Notes	2024 £	2023 £
Bank loans (secured)	16	<u>2,686,452</u>	<u>2,686,518</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 2024

#### 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 2024	Movement in funds			Balance at 31 Dec 2024
	£	Income £	Expenditure £	Transfers £	£
AIC Project	1,188,506	2,053,522	-	(1,844,637)	1,397,391
Senior citizens	8,330	26,686	(10,172)	-	24,844
Third party collections	320,357	518,328	(529,633)	-	309,052
Sadka	24,054	18,545	(26,597)	-	16,002
	<u>1,541,247</u>	<u>2,617,081</u>	<u>(566,402)</u>	<u>(1,844,637)</u>	<u>1,747,289</u>

#### Year ended 31 December 2023

	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>

#### 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 2024

#### 20 Unrestricted funds – The group

	Movement in funds					
	Balance at 1 Jan 2024	Income	Expenditure	Revaluation gain/(loss)	Transfers	Balance at 31 Dec 2024
	£	£	£	£	£	£
<u>Designated Funds</u>						
Equipment fund	17,720	-	-	-	-	17,720
Burial fund	749,915	85,060	(53,840)	-	-	781,135
Building fund	5,733,409	-	-	-	1,844,637	7,578,046
<i>Sub-total designated funds</i>	6,501,044	85,060	(53,840)	-		8,376,901
General funds	4,163,384	1,323,880	(1,418,630)	(1,000,640)	-	3,067,994
Revaluation reserve	2,819,306	-	(166,818)	(2,529,142)	-	123,346
	13,483,734	1,408,940	(1,639,288)	(3,529,782)	1,844,637	11,568,241

#### Year ended 31 December 2023

	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

#### 20.a Unrestricted funds – The charity

	Movement in funds					
	Balance at 1 Jan 2024	Income	Expenditure	Revaluation gain/(loss)	Transfers	Balance at 31 Dec 2024
	£	£	£	£	£	£
<u>Designated Funds</u>						
Equipment fund	17,720	-	-	-	-	17,720
Burial fund	749,915	85,060	(53,840)	-	-	781,135
Building fund	5,733,409	-	-	-	1,844,637	7,578,046
<i>Sub-total designated funds</i>	6,501,044	85,060	(53,840)		1,844,637	8,376,901
General funds	456,566	589,757	(813,160)	-	-	233,163
Revaluation reserve	2,819,306	-	(166,818)	(2,529,142)	-	123,346
	9,776,916	674,817	(1,033,818)	(2,529,142)	1,844,637	8,733,410

# THE KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 20.a Unrestricted funds – The charity (continued)

##### Year ended 31 December 2023

	Balance at 1 Jan 2023	Movement in funds			Transfers	Balance at 31 Dec 2023
	£	Income	Expenditure	Revaluation gain/(loss)	£	£
<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
	<u>8,257,076</u>	<u>589,455</u>	<u>(1,047,429)</u>	<u>-</u>	<u>1,977,814</u>	<u>9,776,916</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 2024

#### 21 Analysis of group net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Fund balances are represented by:</b>						
Tangible assets	7,799,019	-	7,799,019	8,745,135	-	8,745,135
Investment properties	5,837,360	-	5,837,360	6,838,000	-	6,838,000
Current assets/(liabilities)	570,314	1,747,289	2,317,603	587,117	1,541,247	2,128,364
Long term liabilities	(2,638,452)	-	(2,638,452)	(2,686,518)	-	(2,686,518)
	<u>11,568,241</u>	<u>1,747,289</u>	<u>13,315,530</u>	<u>13,483,734</u>	<u>1,541,247</u>	<u>15,024,981</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 directly attributable 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 £32,895 (2023: £44,535). Organisations in which Trustees are also directors or trustees donated amounts totalling £29,710 (2023: £30,035). Included within debtors are amounts due from Trustees at the reporting date totalling £4,065. Included within debtors are amounts due from organisations in which Trustees are also directors at the reporting date totalling £16,182.

#### 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 £198,869 (2023: £349,182).

# THE MUSLIM KHOJA SHIA ITHNA-ASHERI COMMUNITY OF BIRMINGHAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 25 Cash generated from operations

	2024 £	2023 £
Surplus for the year	819,691	2,552,947
<u>Adjustments for:</u>		
Investment income recognised in Statement of Financial Activities	(478,312)	(423,945)
Fair value losses/(gains) on investment properties	1,000,640	(1,195,811)
Depreciation and impairment of tangible assets	301,301	285,846
<u>Movements in working capital:</u>		
(Increase)/decrease in debtors	(3,758)	(302,799)
(Decrease)/increase in creditors	(28,184)	150,782
<b>Cash generated from operations</b>	<u>1,611,378</u>	<u>1,067,020</u>

#### 26 Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	1,995,611	163,297	2,158,908
Loans falling due within one year	(36,000)	(6,000)	(42,000)
Loans falling due after more than one year	(2,686,518)	48,066	(2,638,452)
	<u>(726,907)</u>	<u>205,363</u>	<u>(521,544)</u>