

ISLAMIC BROTHERHOOD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

ISLAMIC BROTHERHOOD

LEGAL AND ADMINISTRATIVE INFORMATION

Chairman	Mr M Arif
Vice Chairman	Mr Amir Afzal
Treasurer	Mr Shabbir Ahmed
Secretary	Mr Mohammad Mansab Dar
Charity number	1172391
Principal address	The Mosque Eagle Street Coventry CV1 4GP
Independent examiner	Kaiser Nouman Nathan LLP 57 Alfred Street Birmingham B12 8JP
Bankers	Barclays Bank PLC Coventry Branch Foleshill Coventry

ISLAMIC BROTHERHOOD

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ISLAMIC BROTHERHOOD

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Deed of Trust, 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

The Trustees of the charity working and performing their duties within the defined parameters of governing documents as some of the objectives are listed as an example below:

- a. To serve, manage, maintain and develop the Noorul-Islam Jamia (Mosque) Coventry (Eagle Street) as the main religious, educational and cultural centre for The Alh-e-Sunnat Ul-Jamaal organisation who follow the Brailvi movement of the Sunni Hanafi school of thought (madhab) in Islam jurisprudence (Fiqh) within the framework of Quran and Sunna.
- b. To recruit and appoint an Imam who is educated or qualified the the Hanafi Brailvi Fiqh and to ensure that the can any of his assistant staff duly appointed carry out their duties in accordance with the teaching and spirit of the Hanafi Brailvi school of thought as defined (3a) above in this constitution.
- c. To manage the performance of the Imam and all staff recruited at least annually.
- d. To ensure that Daily Prayers (Salah) are conducted at the specific times.
- e. To arrange those special prayers on occasions of month of Ramadhan (tarawih), Eid-ul-Fitr and Eid-ul-Adha and other religious festivals are performed and associated facilities and arrangements are provided for the benefit of the Muslim congregation.

The policies adopted in furtherance of these objects are consistent and there has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

Islamic Brotherhood is registered with Charity Commission (No.1172391) and constituted by Deed of Trust.

The Trustees report was approved by the Board of Trustees.

Mr M Arif
Chairperson

15 January 2024

ISLAMIC BROTHERHOOD

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ISLAMIC BROTHERHOOD

I report to the Trustees on my examination of the financial statements of Islamic Brotherhood (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Kaiser Nouman Nathan LLP

57 Alfred Street
Birmingham
B12 8JP

Dated: 15 January 2024

ISLAMIC BROTHERHOOD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	129,153	-	129,153	132,796	-	132,796
Charitable activities	4	8,029	-	8,029	7,000	-	7,000
Total income		137,182	-	137,182	139,796	-	139,796
<u>Expenditure on:</u>							
Charitable activities	5	100,658	-	100,658	105,306	-	105,306
Net income for the year/ Net movement in funds		36,524	-	36,524	34,490	-	34,490
Fund balances at 1 January 2022		1,238,809	410,000	1,648,809	1,204,319	410,000	1,614,319
Fund balances at 31 December 2022		1,275,333	410,000	1,685,333	1,238,809	410,000	1,648,809

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

All income and expenditure derive from continuing activities.

ISLAMIC BROTHERHOOD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Property, plant and equipment	9		927,441		838,626
Current assets					
Trade and other receivables	10	414,419		412,110	
Cash at bank and in hand		345,664		399,265	
		760,083		811,375	
Current liabilities	11	(2,191)		(1,192)	
Net current assets			757,892		810,183
Total assets less current liabilities			1,685,333		1,648,809
Income funds					
Restricted funds			410,000		410,000
Unrestricted funds			1,275,333		1,238,809
			1,685,333		1,648,809

The financial statements were approved by the Trustees on 15 January 2024

Mr M Arif
Chairperson

ISLAMIC BROTHERHOOD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Islamic Brotherhood is a registered charity with Charity Commission (No.1172391).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements 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 Going concern

At the time of approving the financial statements, 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 financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ISLAMIC BROTHERHOOD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Property, plant and equipment

Property, plant and equipment 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 land and buildings	2% on cost
Fixtures and fittings	15% on net book value
Motor vehicles	20% on net book value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets 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 in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet 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.

ISLAMIC BROTHERHOOD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables 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 trade and other payables 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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. 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 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	129,153	132,796

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	2022 £	2021 £
Investment income	7,800	7,000
Bank interest	229	-
	<u>8,029</u>	<u>7,000</u>

5 Charitable activities

	2022 £	2021 £
Staff costs	37,209	36,112
Depreciation	25,540	21,194
Alarm maintenance	681	-
Motor expenses	1,684	120
Rates & insurance	7,875	8,561
Light & heat	9,502	8,470
Printing, stationery & Advert	1,554	2,736
Telecommunication & postage	782	461
Repairs & maintenance	2,676	3,000
Cleaning	1,459	1,001
Parking rent	300	-
Sundry expenses	8,249	3,327
Bank charges	1,272	1,194
Book keeping	300	222
Accountancy fee	1,500	900
Legal & Professional	75	18,008
	<u>100,658</u>	<u>105,306</u>
	<u>100,658</u>	<u>105,306</u>

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

The average monthly number of employees during the year was:

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

ISLAMIC BROTHERHOOD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	37,209	36,112

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

8 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.

9 Property, plant and equipment

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2022	912,042	50,825	-	962,867
Additions	100,455	-	13,900	114,355
At 31 December 2022	1,012,497	50,825	13,900	1,077,222
Depreciation and impairment				
At 1 January 2022	90,152	34,089	-	124,241
Depreciation charged in the year	20,250	2,510	2,780	25,540
At 31 December 2022	110,402	36,599	2,780	149,781
Carrying amount				
At 31 December 2022	902,095	14,226	11,120	927,441
At 31 December 2021	821,890	16,736	-	838,626

The carrying value of these investment properties included within property, plant and equipment is well in excess of £902,095 (2021 - £821,890).

10 Trade and other receivables

Amounts falling due within one year:	2022 £	2021 £
Trade receivables and prepayments	414,419	412,110

ISLAMIC BROTHERHOOD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Current liabilities

	2022 £	2021 £
Trade payables	2,191	1,192

12 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Property, plant and equipment	927,441	-	927,441	838,626	-	838,626
Current assets/(liabilities)	757,892	-	757,892	810,183	-	810,183
	<u>1,685,333</u>	<u>-</u>	<u>1,685,333</u>	<u>1,648,809</u>	<u>-</u>	<u>1,648,809</u>

13 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).