

# ARRAHMA ISLAMIC CENTRE

England & Wales - Charity number 1181445

## Details

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**Status** Registered

**Legal form** CIO

**Registered** 2019-01-07

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 29 Whitmore Road  
Birmingham  
B10 0NR

**Phone** 07447528986

**Email** [ashafici@hotmail.com](mailto:ashafici@hotmail.com)

**Website** [www.arahmacentre.com](http://www.arahmacentre.com)

## Activities

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**Objects:** (1) TO ADVANCE THE ISLAMIC RELIGION IN THE UK FOR THE BENEFIT OF PUBLIC THROUGH THE HOLDING OF PRAYER MEETINGS, LECTURERS, PRODUCING AND/OR DISTRIBUTING LITERATURE ON ISLAMIC FAITH TO ENLIGHTEN OTHERS ABOUT ISLAMIC RELIGION.(2) THE PREVENTION OR RELIEF OF POVERTY ANYWHERE IN THE WORLD BY PROVIDING: ITEMS AND SERVICES TO INDIVIDUALS IN NEED AND/OR CHARITIES, OR OTHER ORGANIZATIONS WORKING TO PREVENT OR RELIEVE POVERTY.

**Activities:** TO PROMOTE ANY CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY IN BIRMINGHAM (HEREIN AFTER CALLED THE AREA OF BENEFIT) IN PARTICULAR AND IN GENERAL NATIONAL AND INTERNATIONAL, AND ANY OTHER CHARITABLE PURPOSES WHICH THE THE RELIEF OF POVERTY AND SICKNESS, THE PROMOTION OF EDUCATION AND THE PROVISION IN THE INTERESTS OF SOCIAL WELFARE OF RECREATIONAL FACILITIES.

## Classification

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- **How:** Provides Services
- **What:** General Charitable Purposes, Religious Activities
- **Who:** The General Public/mankind

## Geography

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- Birmingham City
- Dudley
- Walsall
- Wolverhampton

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31	£232,582	£306,171	-	-
2024-03-31	£344,291	£424,137	-	-
2023-03-31	£335,132	£395,444	-	-
2022-03-31	£655,687	£310,983	£2,434,140	12
2021-03-31	£0	£0	-	-

## Trustees

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Name	Role	Appointed
ABDULKARIM HIRSI SALAD		2022-09-09
ABDULLAHI HASHI KHEYRE		2022-09-09
Abdi Karim Hassan		2022-09-09
Abdirahman mahamud Hersi		2022-09-09
Osman Ali Farah		2022-09-09

## Linked charities

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- ARRAHMA ISLAMIC CENTRE (1181445-1)

**ARRAHMA ISLAMIC CENTRE**

England & Wales - Charity number 1181445

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# Accounts

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Charity registration number: 1181445

# Arrahma Islamic centre (CIO)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

## **Arrahma Islamic centre (CIO)**

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## **Arrahma Islamic centre (CIO)**

### **Reference and Administrative Details**

#### **Trustees**

Abdi Karim Hassan

Osman Ali Farah

Abdulkarim Hirsi Salad

Abdullahi Hashi Kheyre

Abdirahman Mahamud Hersi

#### **Principal Office**

29 Whitmore road

Birmingham

B10 0NR

#### **Charity Registration Number**

1181445

#### **Solicitors**

John & Sagger Solicitors

34 - 36 Gray Inn Road

London

WC1X 8HR

#### **Independent Examiner**

Nasir Rafiq

Independent Examiner

Bradfort Court

123-131 Bradfort Street

Birmingham

B12 0NS

## **Arrahma Islamic centre (CIO)**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2025.

#### **Objectives and activities**

##### ***Objects and aims***

To promote any charitable purposes for the benefit of the community in Birmingham.

To advance the Islamic religion, and any other charitable purposes which the trustees from time to time determine are suitable including the relief of poverty and sickness, the promotion of education and the provision in the interests of social welfare of recreational facilities.

Arrahma Masjid was first established in 2004 to cater for the needs of the thriving Muslim population in the city of Birmingham and continues to be one of Birmingham's largest mosques to date. Located within easy access to the city of Birmingham, the Masjid aspires not only to provide facilities to perform the five daily prayers, but also to uplift the ummah and cater to be an educational and spiritual hub for the growing Muslim community.

Since its inception in 2004 the Masjid has undoubtedly become an invaluable centre of worship and plays an important role in providing both prayer facilities and educational classes. In addition Arrahma Masjid currently holds classes on Qur'an, Islamic sciences and Arabic language and has also held many Islamic conferences and seminars promoting interfaith dialogue within the community.

Other activities based at Arrahma Masjid include youth recreational activities, matrimonial services and family counselling services to cater for the growing needs of the Muslim society. Arrahma Masjid has the capacity to accommodate a large number of worshippers and currently has accommodated over 6000 worshippers during the Eid congregational prayers.

##### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

# Arrahma Islamic centre (CIO)

## Trustees' Report

### **Achievements and performance**

During the year under review, Arrahma Islamic Centre continued to deliver a wide range of charitable activities in furtherance of its objects to advance religious practice, education, and community welfare for the benefit of the local community in Birmingham and beyond. The trustees consider that the activities undertaken provide significant practical and spiritual benefit to both those who worship at the Centre and the wider community. (Arrahma Islamic Centre)

#### Religious and Spiritual Activities

- The Centre remained open throughout the year to facilitate daily prayers and weekly Jum'ah (Friday) congregations, attracting regular participation from over 500 worshippers for daily prayers and more than 1,500 attendees for Friday prayers. (Arrahma Islamic Centre)
- We provided communal worship opportunities and support during key religious festivals. During Ramadan, the Centre prepared and shared iftar meals to support those breaking their fast together. Eid al-Fitr and Eid al-Adha were celebrated with large congregational prayers and community gatherings in the Mosque and at local parks, fostering social cohesion and community spirit. (Arrahma Islamic Centre)
- Marriage services, including civil marriage ceremonies and traditional Islamic Nikkah, were facilitated on site, supporting more than 30 couples to solemnise their unions in a culturally appropriate and spiritually meaningful setting. (Arrahma Islamic Centre)
- The Centre continued to deliver its Qur'anic memorisation (Hifz) programme, a core educational offering for young people, with over 40 participants engaged in regular classes. (Arrahma Islamic Centre)
- A new series of Islamic awareness lectures was launched during the year, open to all members of the community, promoting religious knowledge and understanding. (Arrahma Islamic Centre)
- The Centre maintained active involvement in inter-faith dialogue through the Faith Communities Forum for the Birmingham area, promoting mutual understanding and community cohesion across religious and cultural groups. (Arrahma Islamic Centre)

#### Education, Social and Community Activities

- The Centre's weekend homework club and IT classes continued to provide academic support to local children, with over 40 young people regularly participating. This initiative was supported by a team of volunteer tutors and offered in a supervised and inclusive environment. (Arrahma Islamic Centre)
- Weekly IT classes were delivered utilising a small IT suite, offering essential digital skills training to community members of all ages. (Arrahma Islamic Centre)
- Sporting activities, including organised football sessions for children and teenagers (ages 6+), were provided every Friday evening at Small Heath Leisure Centre, encouraging healthy lifestyle choices and positive youth engagement. (Arrahma Islamic Centre)

Through these varied programmes, the Centre has strengthened its role as a place of worship, education, recreation, and social support, contributing to the spiritual well-being and social inclusion of local residents. The trustees remain committed to expanding and enhancing these activities in line with the Centre's strategic objectives and the evolving needs of the community. (Arrahma Islamic Centre)

### **Financial review**

During the charity raised £232k (2024: £344k) and spent £306k (2024: £424k). The charity had a net movement in funds of negative £74k (2024: £79k).

The charity had carried forward reserves of £2.2m (2024: £2.3m)

### ***Policy on reserves***

The Trustees consider the level of held reserves to be adequate.

# Arrahma Islamic centre (CIO)

## Trustees' Report

### Structure, governance and management

#### *Nature of governing document*

The charity is a Charity Incorporated Organisation (CIO - Foundation) and registered with the Charity Commission on the 07 Jan 2019 (new Charity reg 1181445).

#### **Financial instruments**

#### *Objectives and policies*

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

#### *Cash flow risk*

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### *Credit risk*

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on .....<sup>28/1/26</sup> and signed on its behalf by:



Abdullahi Hashi Kheyre  
Trustee

## Arrahma Islamic centre (CIO)

### Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 28/1/26 and signed on its behalf by:



Abdullahi Hashi Kheyre  
Trustee

## **Arrahma Islamic centre (CIO)**

### **Independent Examiner's Report to the trustees of Arrahma Islamic centre (CIO)**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2025 which are set out on pages 7 to 15.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of Arrahma Islamic centre (CIO) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Arrahma Islamic centre (CIO)'s accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

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

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

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



.....  
Nasir Rafiq  
Independent Examiner  
Nasir Rafiq

Bradford Court  
123-131 Bradford Street  
Birmingham  
B12 0NS

Date: 28 January 2026

## Arrahma Islamic centre (CIO)

### Statement of Financial Activities for the Year Ended 31 March 2025

	Note	Unrestricted funds £	Total 2025 £
<b>Income and Endowments from:</b>			
Donations and legacies		191,572	191,572
Other income		41,010	41,010
Total income		232,582	232,582
<b>Expenditure on:</b>			
Raising funds		(75)	(75)
Charitable activities		(306,096)	(306,096)
Total expenditure		(306,171)	(306,171)
Net expenditure		(73,589)	(73,589)
Net movement in funds		(73,589)	(73,589)
<b>Reconciliation of funds</b>			
Total funds brought forward		2,293,982	2,293,982
Total funds carried forward	13	2,220,393	2,220,393
	Note	Unrestricted funds £	Total 2024 £
<b>Income and Endowments from:</b>			
Donations and legacies		189,201	189,201
Other income		155,090	155,090
Total income		344,291	344,291
<b>Expenditure on:</b>			
Raising funds		(7,375)	(7,375)
Charitable activities		(416,762)	(416,762)
Total expenditure		(424,137)	(424,137)
Net expenditure		(79,846)	(79,846)
Net movement in funds		(79,846)	(79,846)
<b>Reconciliation of funds</b>			
Total funds brought forward		2,373,828	2,373,828
Total funds carried forward	13	2,293,982	2,293,982

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


The funds breakdown for 2024 is shown in note 13.

**Arrahma Islamic centre (CIO)**  
**(Registration number: 1181445)**  
**Balance Sheet as at 31 March 2025**

	Note	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	9	2,387,620	2,442,801
<b>Current assets</b>			
Debtors	10	48,785	48,785
Cash at bank and in hand	11	15,219	12,447
		64,004	61,232
<b>Creditors: Amounts falling due within one year</b>	12	(231,231)	(210,051)
<b>Net current liabilities</b>		(167,227)	(148,819)
<b>Net assets</b>		2,220,393	2,293,982
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		2,220,393	2,293,982
<b>Total funds</b>	13	2,220,393	2,293,982

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on

28/1/26 and signed on their behalf by:

  
Abdullahi Hashi Kheyre  
Trustee

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 1 Accounting policies

##### Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### Basis of preparation

Arrahma Islamic centre (CIO) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### *Donations and legacies*

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### *Raising funds*

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### *Charitable activities*

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### *Grant provisions*

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Arrahma Islamic centre (CIO)**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 2 Income from donations and legacies

	<b>Unrestricted funds General £</b>	<b>Total 2025 £</b>	<b>Total 2024 £</b>
Donations and legacies;			
Donations from individuals	191,572	191,572	189,201
	<u>191,572</u>	<u>191,572</u>	<u>189,201</u>

#### 3 Other income

	<b>Unrestricted funds General £</b>	<b>Total 2025 £</b>	<b>Total 2024 £</b>
Rental income	34,510	34,510	155,090

#### 4 Expenditure on charitable activities

	<b>Unrestricted funds General £</b>	<b>Total 2025 £</b>	<b>Total 2024 £</b>
Employment	103,547	103,547	85,862
Facilities	184,938	184,938	261,067
Governance	14,433	14,433	23,315
Travelling Expense	3,178	3,178	46,518
	<u>306,096</u>	<u>306,096</u>	<u>416,762</u>

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2025

£306,096 (2024 - £416,762) of the above expenditure was attributable to unrestricted funds and £Nil (2024 - £Nil) to restricted funds.

#### 5 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Independent examiner fees			
Examination of the financial statements	3,500	3,500	3,500
Legal fees	10,933	10,933	19,815
	<u>14,433</u>	<u>14,433</u>	<u>23,315</u>

#### 6 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
<b>Staff costs during the year were:</b>		
Wages and salaries	<u>103,547</u>	<u>85,862</u>

No employee received emoluments of more than £60,000 during the year

#### 7 Independent examiner's remuneration

	2025 £	2024 £
Examination of the financial statements	<u>3,500</u>	<u>3,500</u>

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 8 Taxation

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

#### 9 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2024	2,669,275	50,023	8,472	2,727,770
Additions	5,327	-	-	5,327
At 31 March 2025	2,674,602	50,023	8,472	2,733,097
<b>Depreciation</b>				
At 1 April 2024	253,772	25,030	6,167	284,969
Charge for the year	53,492	6,248	768	60,508
At 31 March 2025	307,264	31,278	6,935	345,477
<b>Net book value</b>				
At 31 March 2025	2,367,338	18,745	1,537	2,387,620
At 31 March 2024	2,415,503	24,993	2,305	2,442,801

#### 10 Debtors

	2025 £	2024 £
Other debtors	48,785	48,785

#### 11 Cash and cash equivalents

	2025 £	2024 £
Cash at bank	15,219	12,447

#### 12 Creditors: amounts falling due within one year

	2025 £	2024 £
Other creditors	216,702	199,022
Accruals	14,529	11,029
	231,231	210,051

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 13 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
<b>Unrestricted funds</b>				
General	2,293,982	232,582	(306,171)	2,220,393
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>				
General	2,373,828	344,291	(424,137)	2,293,982

#### 14 Analysis of net assets between funds

	Unrestricted funds General £	Total funds 2025 £
Tangible fixed assets	2,387,620	2,387,620
Current assets	64,004	64,004
Current liabilities	(231,231)	(231,231)
Total net assets	2,220,393	2,220,393
	Unrestricted funds General £	Total funds 2024 £
Tangible fixed assets	2,442,801	2,442,801
Current assets	61,232	61,232
Current liabilities	(210,051)	(210,051)
Total net assets	2,293,982	2,293,982

**ARRAHMA ISLAMIC CENTRE**

England & Wales - Charity number 1181445

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# Accounts

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Charity registration number: 1181445

# Arrahma Islamic centre (CIO)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

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## **Arrahma Islamic centre (CIO)**

### **Reference and Administrative Details**

#### **Trustees**

Abdi Karim Hassan

Osman Ali Farah

Abdulkarim Hirsi Salad

Abdullahi Hashi Kheyre

Abdirahman Mahamud Hersi

#### **Principal Office**

29 Whitmore road

Birmingham

B10 0NR

#### **Charity Registration Number**

1181445

#### **Solicitors**

John & Sagger Solicitors

34 - 36 Gray Inn Road

London

WC1X 8HR

#### **Independent Examiner**

Nasir Rafiq

Independent Examiner

Bradford Court

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B12 0NS

## **Arrahma Islamic centre (CIO)**

### **Trustees' Report**

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#### **Objectives and activities**

##### *Objects and aims*

To promote any charitable purposes for the benefit of the community in Birmingham.

To advance the Islamic religion, and any other charitable purposes which the trustees from time to time determine are suitable including the relief of poverty and sickness, the promotion of education and the provision in the interests of social welfare of recreational facilities.

##### *Public benefit*

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Financial review**

##### *Policy on reserves*

The Trustees consider the level of held reserves to be adequate.

#### **Structure, governance and management**

##### *Nature of governing document*

The charity is a Charity Incorporated Organisation (CIO - Foundation) and registered with the Charity Commission on the 07 Jan 2019 (new Charity reg 1181445).

#### **Financial instruments**

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##### *Cash flow risk*

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## Arrahma Islamic centre (CIO)

### Trustees' Report

#### *Credit risk*

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#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on **31/01/2025** and signed on its behalf by:



Abdullahi Hashi Kheyre  
Trustee

## Arrahma Islamic centre (CIO)

### Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 31/01/2025 and signed on its behalf by:



Abdullahi Hashi Kheyre  
Trustee

## Arrahma Islamic centre (CIO)

### Independent Examiner's Report to the trustees of Arrahma Islamic centre (CIO)

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2024 which are set out on pages 6 to 14.

#### Respective responsibilities of trustees and examiner

As the charity's trustees of Arrahma Islamic centre (CIO) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Arrahma Islamic centre (CIO)'s accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.


#### Independent examiner's statement

Since Arrahma Islamic centre (CIO)'s gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Nasir Rafiq, which is one of the listed bodies.

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

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

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

  
.....  
Nasir Rafiq  
Independent Examiner

Bradford Court  
123-131 Bradford Street  
Birmingham  
B12 0NS

Date:.....

## Arrahma Islamic centre (CIO)

### Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted funds £	Total 2024 £
<b>Income and Endowments from:</b>			
Donations and legacies		189,201	189,201
Other income		155,090	155,090
Total income		344,291	344,291
<b>Expenditure on:</b>			
Raising funds		(7,375)	(7,375)
Charitable activities	4	(416,762)	(416,762)
Total expenditure		(424,137)	(424,137)
Net expenditure		(79,846)	(79,846)
Net movement in funds		(79,846)	(79,846)
<b>Reconciliation of funds</b>			
Total funds brought forward		2,373,828	2,373,828
Total funds carried forward	15	2,293,982	2,293,982
	Note	Unrestricted funds £	Total 2023 £
<b>Income and Endowments from:</b>			
Donations and legacies		123,605	123,605
Other income		211,527	211,527
Total income		335,132	335,132
<b>Expenditure on:</b>			
Charitable activities		(329,221)	(329,221)
Other expenditure	5	(66,223)	(66,223)
Total expenditure		(395,444)	(395,444)
Net expenditure		(60,312)	(60,312)
Net movement in funds		(60,312)	(60,312)
<b>Reconciliation of funds</b>			
Total funds brought forward		2,434,140	2,434,140
Total funds carried forward	14	2,373,828	2,373,828


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

The funds breakdown for 2023 is shown in note 15.

**Arrahma Islamic centre (CIO)**  
**(Registration number: 1181445)**  
**Balance Sheet as at 31 March 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	10	2,442,801	2,505,671
<b>Current assets</b>			
Debtors	11	48,785	48,785
Cash at bank and in hand	12	12,447	25,923
		61,232	74,708
<b>Creditors: Amounts falling due within one year</b>	13	(210,051)	(206,551)
<b>Net current liabilities</b>		(148,819)	(131,843)
<b>Net assets</b>		2,293,982	2,373,828
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		2,293,982	2,373,828
<b>Total funds</b>	14	2,293,982	2,373,828

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on **31/01/2025** and signed on their behalf by:

  
 .....  
 Abdullahi Hashi Kheyre  
 Trustee

## **Arrahma Islamic centre (CIO)**

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

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Arrahma Islamic centre (CIO) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### ***Donations and legacies***

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

## **Arrahma Islamic centre (CIO)**

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

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Arrahma Islamic centre (CIO)**

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

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

## Arrahma Islamic centre (CIO)

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

#### 2 Income from donations and legacies

	<b>Unrestricted funds General £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Donations and legacies;			
Donations from individuals	189,201	189,201	123,605
	189,201	189,201	123,605

#### 3 Other income

	<b>Unrestricted funds General £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Rental income	155,090	155,090	211,527
	155,090	155,090	211,527

#### 4 Expenditure on charitable activities

	<b>Unrestricted funds General £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Employment	85,862	85,862	104,019
Facilities	261,067	261,067	219,894
Governance	23,315	23,315	9,840
Travelling Expenses	46518	46,518	11379.66
Grants	0	0	50,311
	416,762	416,762	395,444

## Arrahma Islamic centre (CIO)

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

#### 5 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Independent examiner's fee	3,500	3,500	3,500
Legal and professional fees	19,815	19,815	6,340
	<u>23,315</u>	<u>23,315</u>	<u>9,840</u>

#### 6 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024 £	2023 £
Depreciation of fixed assets	<u>62,870</u>	<u>66,223</u>

#### 7 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
<b>Staff costs during the year were:</b>		
Wages and salaries	<u>85,862</u>	<u>104,019</u>

No employee received emoluments of more than £60,000 during the year

#### 8 Independent examiner's remuneration

	2024 £	2023 £
<b>Other fees to examiners</b>		
The examining of accounts of any associate of the charity	<u>3,500</u>	<u>3,500</u>

## Arrahma Islamic centre (CIO)

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

#### 9 Taxation

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

#### 10 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2023	2,669,275	50,023	8,472	2,727,770
At 31 March 2024	2,669,275	50,023	8,472	2,727,770
<b>Depreciation</b>				
At 1 April 2023	200,386	16,699	5,014	222,099
Charge for the year	53,386	8,331	1,153	62,870
At 31 March 2024	253,772	25,030	6,167	284,969
<b>Net book value</b>				
At 31 March 2024	2,415,503	24,993	2,305	2,442,801
At 31 March 2023	2,468,889	33,324	3,458	2,505,671

#### 11 Debtors

	2024 £	2023 £
Other debtors	48,785	48,785

#### 12 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	12,447	25,923

#### 13 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors	199,022	199,022
Accruals	11,029	7,529
	210,051	206,551

## Arrahma Islamic centre (CIO)

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

#### 14 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>				
General	2,373,828	344,291	(424,137)	2,293,982
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
General	2,434,140	335,132	(395,444)	2,373,828

#### 15 Analysis of net assets between funds

	Unrestricted funds General £	Total funds 2024 £
Tangible fixed assets	2,442,801	2,442,801
Current assets	61,232	61,232
Current liabilities	(210,051)	(210,051)
Total net assets	2,293,982	2,293,982
	Unrestricted funds General £	Total funds 2023 £
Tangible fixed assets	2,505,671	2,505,671
Current assets	74,708	74,708
Current liabilities	(206,551)	(206,551)
Total net assets	2,373,828	2,373,828

**ARRAHMA ISLAMIC CENTRE**

England & Wales - Charity number 1181445

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# Accounts

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Charity registration number: 1181445

# Arrahma Islamic centre (CIO)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

## Arrahma Islamic centre (CIO)

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Statement of Financial Activities	6
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Notes to the Financial Statements	8 to 14

## **Arrahma Islamic centre (CIO)**

### **Reference and Administrative Details**

#### **Trustees**

Abdi Karim Hassan

Osman Ali Farah

Abdulkarim Hirsi Salad

Muhyadin Mahad Shafad

Abdullahi Hashi Kheyre

Abdirahman Mahamud Hersi

#### **Principal Office**

29 Whitmore road

Birmingham

B10 0NR

#### **Charity Registration Number**

1181445

#### **Solicitors**

John & Sagger Solicitors

34 - 36 Gray Inn Road

London

WC1X 8HR

#### **Independent Examiner**

Nasir Rafiq

Independent Examiner

Bradfort Court

123-131 Bradfort Street

Birmingham

B12 0NS

## **Arrahma Islamic centre (CIO)**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2023.

#### **Objectives and activities**

##### *Objects and aims*

To promote any charitable purposes for the benefit of the community in Birmingham.

To advance the Islamic religion, and any other charitable purposes which the trustees from time to time determine are suitable including the relief of poverty and sickness, the promotion of education and the provision in the interests of social welfare of recreational facilities.

##### *Public benefit*

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Financial review**

##### *Policy on reserves*

The Trustees consider the level of held reserves to be adequate.

#### **Structure, governance and management**

##### *Nature of governing document*

The charity is a Charity Incorporated Organisation (CIO - Foundation) and registered with the Charity Commission on the 07 Jan 2019 (new Charity reg 1181445).

#### **Financial instruments**

##### *Objectives and policies*

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### *Cash flow risk*

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

## Arrahma Islamic centre (CIO)

### Trustees' Report

#### *Credit risk*

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 01/11/2024 and signed on its behalf by:

  
Abdullahi Hashi Kheyre  
Trustee

## Arrahma Islamic centre (CIO)

### Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 01/11/24 and signed on its behalf by:



Abdullahi Hashi Kheyre  
Trustee

## Arrahma Islamic centre (CIO)

### Independent Examiner's Report to the trustees of Arrahma Islamic centre (CIO)

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2023 which are set out on pages 6 to 14.

#### Respective responsibilities of trustees and examiner

As the charity's trustees of Arrahma Islamic centre (CIO) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Arrahma Islamic centre (CIO)'s accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

Since Arrahma Islamic centre (CIO)'s gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Nasir Rafiq, which is one of the listed bodies.

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

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

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

.....  
M  
Nasir Rafiq  
Independent Examiner  
Nasir Rafiq

Bradford Court  
123-131 Bradford Street  
Birmingham  
B12 0NS

Date: 1.11.2024

## Arrahma Islamic centre (CIO)

### Statement of Financial Activities for the Year Ended 31 March 2023

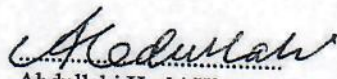
	Note	Unrestricted funds £	Total 2023 £
<b>Income and Endowments from:</b>			
Donations and legacies			
Other income		123,605	123,605
		211,527	211,527
Total income		335,132	335,132
<b>Expenditure on:</b>			
Charitable activities		(329,221)	(329,221)
Other expenditure	5	(66,223)	(66,223)
		(395,444)	(395,444)
Total expenditure		(395,444)	(395,444)
Net expenditure		(60,312)	(60,312)
Net movement in funds		(60,312)	(60,312)
<b>Reconciliation of funds</b>			
Total funds brought forward		2,434,140	2,434,140
Total funds carried forward	15	2,373,828	2,373,828
		<b>Unrestricted funds £</b>	<b>Total 2022 £</b>
<b>Income and Endowments from:</b>			
Donations and legacies			
Other income		465,475	465,475
		190,212	190,212
Total income		655,687	655,687
<b>Expenditure on:</b>			
Raising funds		(1,033)	(1,033)
Charitable activities		(308,855)	(308,855)
Other expenditure	5	(1,095)	(1,095)
		(310,983)	(310,983)
Total expenditure		(310,983)	(310,983)
Net income		344,704	344,704
Net movement in funds		344,704	344,704
<b>Reconciliation of funds</b>			
Total funds brought forward		2,089,436	2,089,436
Total funds carried forward	15	2,434,140	2,434,140

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2022 is shown in note 15.

**Arrahma Islamic centre (CIO)**  
**(Registration number: 1181445)**  
**Balance Sheet as at 31 March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	2,505,671	2,501,849
<b>Current assets</b>			
Debtors	12	48,785	41,673
Cash at bank and in hand	13	25,923	120,433
		74,708	162,106
<b>Creditors: Amounts falling due within one year</b>	14	(206,551)	(229,815)
<b>Net current liabilities</b>		(131,843)	(67,709)
<b>Net assets</b>		2,373,828	2,434,140
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		2,373,828	2,434,140
<b>Total funds</b>	15	2,373,828	2,434,140

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 01/04/23 and signed on their behalf by:

  
 Abdullahi Hashi Kheyre  
 Trustee

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 1 Accounting policies

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Arrahma Islamic centre (CIO) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

**Arrahma Islamic centre (CIO)**

**Notes to the Financial Statements for the Year Ended 31 March 2023**

**2 Income from donations and legacies**

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	123,605	123,605	241,216
Grants, including capital grants;			
Government grants	-	-	26,496
Grants from other charities	-	-	197,763
	<u>123,605</u>	<u>123,605</u>	<u>465,475</u>

**3 Other income**

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Rental income	211,527	211,527	190,212

**4 Expenditure on charitable activities**

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Depreciation, amortisation and other similar costs	174,891	174,891	110,797
Grant funding of activities	-	-	52,335
Governance costs	50,311	50,311	46,151
	<u>104,019</u>	<u>104,019</u>	<u>99,572</u>
	<u>329,221</u>	<u>329,221</u>	<u>308,855</u>

**5 Other expenditure**

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Depreciation, amortisation and other similar costs	66,223	66,223	1,095
	<u>66,223</u>	<u>66,223</u>	<u>1,095</u>

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 6 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Staff costs			
Wages and salaries	104,019	104,019	99,572
	104,019	104,019	99,572

#### 7 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2023 £	2022 £
Depreciation of fixed assets	66,223	53,430
	66,223	53,430

#### 8 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	104,019	99,572
	104,019	99,572

No employee received emoluments of more than £60,000 during the year

#### 9 Independent examiner's remuneration

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 10 Taxation

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

#### 11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2022				
Additions	2,602,230	50,023	5,472	2,657,725
	67,045	-	3,000	70,045
At 31 March 2023	2,669,275	50,023	8,472	2,727,770
<b>Depreciation</b>				
At 1 April 2022				
Charge for the year	147,000	5,591	3,285	155,876
	53,386	11,108	1,729	66,223
At 31 March 2023	200,386	16,699	5,014	222,099
<b>Net book value</b>				
At 31 March 2023	2,468,889	33,324	3,458	2,505,671
At 31 March 2022	2,455,230	44,432	2,187	2,501,849

#### 12 Debtors

	2023 £	2022 £
Other debtors	48,785	41,673

#### 13 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	25,923	120,433

#### 14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	199,022	222,935
Accruals	7,529	6,880
	206,551	229,815

**Arrahma Islamic centre (CIO)**

**Notes to the Financial Statements for the Year Ended 31 March 2023**

**15 Funds**

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
General	2,434,140	335,132	(395,444)	2,373,828
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	2,089,436	655,687	(310,983)	2,434,140

**16 Analysis of net assets between funds**

	Unrestricted funds General £	Total funds 2023 £
Tangible fixed assets		
Current assets	2,505,671	2,505,671
Current liabilities	74,708	74,708
Total net assets	(206,551)	(206,551)
	2,373,828	2,373,828
	Unrestricted funds General £	Total funds 2022 £
Tangible fixed assets		
Current assets	2,501,849	2,501,849
Current liabilities	162,106	162,106
Total net assets	(229,815)	(229,815)
	2,434,140	2,434,140

## Arrahma Islamic centre (CIO)

### Trustees' Report

#### *Credit risk*

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

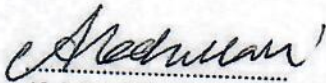
The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 01/11/24 and signed on its behalf by:



Abdullahi Hashi Kheyre  
Trustee

**ARRAHMA ISLAMIC CENTRE**

England & Wales - Charity number 1181445

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# Accounts

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Charity registration number: 1181445

# Arrahma Islamic centre (CIO)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

## **Arrahma Islamic centre (CIO)**

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**Arrahma Islamic centre (CIO)**

**Reference and Administrative Details**

**Trustees**

Abdi Karim Hassan  
Osman Ali Farah  
Abdulkarim Hirsi Salad  
Muhyadin Mahad Shafad  
Abdullahi Hashi Kheyre  
Abdirahman Mahamud Hersi

**Principal Office**

29 Whitmore road  
Birmingham  
B10 0NR

**Charity Registration Number**

1181445

**Solicitors**

John & Sagger Solicitors  
34 - 36 Gray Inn Road  
London  
WC1X 8HR

**Independent Examiner**

Nasir Rafiq  
Bradford Court  
123-131 Bradford Street  
Birmingham  
B12 0NS

## **Arrahma Islamic centre (CIO)**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2022.

#### **Objectives and activities**

##### ***Objects and aims***

To promote any charitable purposes for the benefit of the community in Birmingham.

To advance the Islamic religion, and any other charitable purposes which the trustees from time to time determine are suitable including the relief of poverty and sickness, the promotion of education and the provision in the interests of social welfare of recreational facilities.

##### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Achievements and performance**

The Charity has established a learning centre that provides academic enrichment opportunities during non - school hours for children and women.

The Charity caters for the needs of the community at large in Birmingham and addresses common issues like facilitating a place of worship, Islamic tutorials, solving family problems, working towards community cohesion, educational needs and crime reductions.

The Charity helps youth and women in the area to develop their social and educational needs which are not currently available to them, according to a recent survey commissioned by the Birmingham Equality and Diversity.

The Charity focuses on providing educational assistance and recreational activities to all ages in the community. Through the provision of education, the Charity has a direct and positive effect on the mental development of the young children of the community and prepares them as leaders in the future.

Through the idea of active citizenship at both corporate and individual levels, the Charity hopes to address the values and responsibilities that citizenship entails and ways of promoting British ideals, tackle racism and embrace diversity and cultural differences.

#### **Financial review**

During the year the charity raised ££655k – this included a grant £197k as a grant from the linked Trust representing the closing assets and liabilities of the Trust as at 31 March 2021.

After spending £311k, the charity made a net surplus of £344k.

At year the charity had reserves of £2.4m.

#### **CIO Conversion**

The charity has converted to a CIO from a Trust (Arrahma Trust Charity number 1110987). During the prior period, the charity had its transfer complete with the bank and staff moving to the CIO. All transactions are now reflected in the CIO accounts.

#### ***Policy on reserves***

The Trustees consider the level of held reserves to be adequate.

#### **Structure, governance and management**

##### ***Nature of governing document***

The charity is a Charity Incorporated Organisation (CIO - Foundation) and registered with the Charity Commission on the 07 Jan 2019 (new Charity reg 1181445).

## Arrahma Islamic centre (CIO)

### Trustees' Report

#### Financial instruments

##### **Objectives and policies**

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### **Cash flow risk**

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

##### **Credit risk**

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

31 January 2023

The annual report was approved by the trustees of the charity on ..... and signed on its behalf by:



.....  
Muhyadin Mahad Shafad  
Trustee

## Arrahma Islamic centre (CIO)

### Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

31 January 2023

Approved by the trustees of the charity on ..... and signed on its behalf by:



.....  
Muhyadin Mahad Shafad  
Trustee

## Arrahma Islamic centre (CIO)

### Independent Examiner's Report to the trustees of Arrahma Islamic centre (CIO)

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2022 which are set out on pages 6 to 13.

#### Respective responsibilities of trustees and examiner

As the charity's trustees of Arrahma Islamic centre (CIO) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Arrahma Islamic centre (CIO)'s accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

Since Arrahma Islamic centre (CIO)'s gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

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

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

*Nasir Rafiq*

.....  
Nasir Rafiq  
ICAEW

Bradford Court  
123-131 Bradford Street  
Birmingham  
B12 0NS

31 January 2023

Date:.....

## Arrahma Islamic centre (CIO)

### Statement of Financial Activities for the Year Ended 31 March 2022

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Total 2022 £</b>
<b>Income and Endowments from:</b>			
Donations and legacies		465,475	465,475
Other income		190,212	190,212
Total income		655,687	655,687
<b>Expenditure on:</b>			
Raising funds		(1,033)	(1,033)
Charitable activities		(309,950)	(309,950)
Total expenditure		(310,983)	(310,983)
Net income		344,704	344,704
Net movement in funds		344,704	344,704
<b>Reconciliation of funds</b>			
Total funds brought forward		2,089,436	2,089,436
Total funds carried forward	14	2,434,140	2,434,140

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Total 2021 £</b>
<b>Income and Endowments from:</b>			
<b>Expenditure on:</b>			
Charitable activities		(51,223)	(51,223)
Total expenditure		(51,223)	(51,223)
Net expenditure		(51,223)	(51,223)
Net movement in funds		(51,223)	(51,223)
<b>Reconciliation of funds</b>			
Total funds brought forward		2,140,659	2,140,659
Total funds carried forward	14	2,089,436	2,089,436

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

The funds breakdown for 2021 is shown in note 14.

**Arrahma Islamic centre (CIO)**  
**(Registration number: 1181445)**  
**Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	2,501,849	2,369,936
<b>Current assets</b>			
Debtors	11	41,673	-
Cash at bank and in hand	12	120,433	-
		162,106	-
<b>Creditors: Amounts falling due within one year</b>	13	(229,815)	(280,500)
<b>Net current liabilities</b>		(67,709)	(280,500)
<b>Net assets</b>		2,434,140	2,089,436
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		2,434,140	2,089,436
<b>Total funds</b>	14	2,434,140	2,089,436

31 January 2023

The financial statements on pages 6 to 13 were approved by the trustees, and authorised for issue on ..... and signed on their behalf by:



.....  
 Muhyadin Mahad Shafad  
 Trustee

## **Arrahma Islamic centre (CIO)**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Arrahma Islamic centre (CIO) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### **Raising funds**

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

##### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £
Donations and legacies;		
Donations from individuals	241,216	241,216
Grants, including capital grants;		
Government grants	26,496	26,496
Grants from other charities	197,763	197,763
	<u>465,475</u>	<u>465,475</u>

#### 3 Other income

	Unrestricted funds General £	Total 2022 £
Rental income	<u>190,212</u>	<u>190,212</u>

#### 4 Expenditure on charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
	145,800	145,800	-
Depreciation, amortisation and other similar costs	53,430	53,430	51,223
Staff costs	99,572	99,572	-
Governance costs	11,148	11,148	-
	<u>309,950</u>	<u>309,950</u>	<u>51,223</u>
		Activity undertaken directly £	Total 2022 £
Employment		99,572	99,572
Events		46,151	46,151
Facilities		146,069	146,069
Governance		11,148	11,148
Travelling Expenses		7,010	7,010
		<u>309,950</u>	<u>309,950</u>

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 5 Analysis of governance and support costs

##### Governance costs

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Independent examiner fees		
Examination of the financial statements	3,700	3,700
Legal fees & professional fees	7,448	7,448
	11,148	11,148

#### 6 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	<b>2022 £</b>	<b>2021 £</b>
Depreciation of fixed assets	53,430	51,223

#### 7 Staff costs

The aggregate payroll costs were as follows:

	<b>2022 £</b>
<b>Staff costs during the year were:</b>	
Wages and salaries	99,572

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	<b>2022 No</b>	<b>2021 No</b>
Average Staff	12	11

No employee received emoluments of more than £60,000 during the year

#### 8 Independent examiner's remuneration

	<b>2022 £</b>
Examination of the financial statements	3,700

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 9 Taxation

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

#### 10 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2021	2,450,000	16,910	5,472	2,472,382
Additions	152,230	33,113	-	185,343
At 31 March 2022	2,602,230	50,023	5,472	2,657,725
<b>Depreciation</b>				
At 1 April 2021	98,000	2,256	2,190	102,446
Charge for the year	49,000	3,335	1,095	53,430
At 31 March 2022	147,000	5,591	3,285	155,876
<b>Net book value</b>				
At 31 March 2022	2,455,230	44,432	2,187	2,501,849
At 31 March 2021	2,352,000	14,654	3,282	2,369,936

#### 11 Debtors

	<b>2022</b> £
Other debtors	41,673

#### 12 Cash and cash equivalents

	<b>2022</b> £
Cash at bank	120,433

#### 13 Creditors: amounts falling due within one year

	<b>2022</b> £	<b>2021</b> £
Other creditors	222,935	280,500
Accruals	6,880	-
	229,815	280,500

#### 14 Funds

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	2,089,436	655,687	(310,983)	2,434,140
		Balance at 1 April 2020 £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>				
General		2,140,659	(51,223)	2,089,436

#### 15 Analysis of net assets between funds

	Unrestricted funds General £	Total funds 2022 £
Tangible fixed assets	2,501,849	2,501,849
Current assets	162,106	162,106
Current liabilities	(229,815)	(229,815)
Total net assets	2,434,140	2,434,140
	Unrestricted funds General £	Total funds 2021 £
Tangible fixed assets	2,369,936	2,369,936
Current liabilities	(280,500)	(280,500)
Total net assets	2,089,436	2,089,436

**ARRAHMA ISLAMIC CENTRE**

England & Wales - Charity number 1181445

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# Accounts

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Charity registration number: 1181445

# Arrahma Islamic centre (CIO)

Annual Report and Financial Statements  
for the Year Ended 31 March 2021

## **Arrahma Islamic centre (CIO)**

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**Arrahma Islamic centre (CIO)**

**Reference and Administrative Details**

<b>Trustees</b>	Abdi Karim Hassan Osman Ali Farah Abdulkarim Hirsi Salad Muhyadin Mahad Shafad Abdullahi Hashi Kheyre Abdirahman Mahamud Hersi
<b>Principal Office</b>	29 Whitmore road Birmingham B10 0NR
<b>Charity Registration Number</b>	1181445
<b>Solicitors</b>	John & Sagger Solicitors 34 - 36 Gray Inn Road London WC1X 8HR
<b>Auditor</b>	TBC

## **Arrahma Islamic centre (CIO)**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2021.

#### **Objectives and activities**

##### *Objects and aims*

To promote any charitable purposes for the benefit of the community in Birmingham.

To advance the Islamic religion, and any other charitable purposes which the trustees from time to time determine are suitable including the relief of poverty and sickness, the promotion of education and the provision in the interests of social welfare of recreational facilities.

##### *Public benefit*

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Achievements and performance**

The charity is a converted incorporated entity of Arrahma Trust (Charity no 1110987), a charitable trust.

In order to complete the conversion, the Trust (Charity no 1110987) transferred its buildings and long-term liabilities to the charity during the prior year accounting period. The Trust is yet to transfer its bank accounts, projects, and staff to the charity.

As a result, the charity has not operated any projects during the year. The only activity was the use of its building by the Trust (Charity no 1110987).

#### **Financial review**

##### *Policy on reserves*

The Trustees consider the level of held reserves to be adequate.

#### **Structure, governance and management**

##### *Nature of governing document*

The charity is a Charity Incorporated Organisation (CIO - Foundation) and registered with the Charity Commission on the 07 Jan 2019 (new Charity reg 1181445).

#### **Financial instruments**

##### *Objectives and policies*

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

## Arrahma Islamic centre (CIO)

### Trustees' Report

#### *Cash flow risk*

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### *Credit risk*

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.


The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 28/01/22 and signed on its behalf by:

  
.....  
Muhyadin Mahad Shafad  
Trustee

## **Arrahma Islamic centre (CIO)**

### **Statement of Trustees' Responsibilities**

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Arrahma Islamic centre (CIO)

### Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted funds £	Total 31 March 2021 £
<b>Income and Endowments from:</b>			
<b>Expenditure on:</b>			
Charitable activities		<u>(51,223)</u>	<u>(51,223)</u>
Total expenditure		<u>(51,223)</u>	<u>(51,223)</u>
Net expenditure		<u>(51,223)</u>	<u>(51,223)</u>
Net movement in funds		(51,223)	(51,223)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,140,659</u>	<u>2,140,659</u>
Total funds carried forward	9	<u>2,089,436</u>	<u>2,089,436</u>
		<b>Unrestricted funds £</b>	<b>Total 31 March 2020 £</b>
<b>Income and Endowments from:</b>			
Donations and legacies		<u>2,193,382</u>	<u>2,193,382</u>
Total income		<u>2,193,382</u>	<u>2,193,382</u>
<b>Expenditure on:</b>			
Charitable activities		<u>(52,723)</u>	<u>(52,723)</u>
Total expenditure		<u>(52,723)</u>	<u>(52,723)</u>
Net income		<u>2,140,659</u>	<u>2,140,659</u>
Net movement in funds		<u>2,140,659</u>	<u>2,140,659</u>
<b>Reconciliation of funds</b>			
Total funds carried forward	9	<u>2,140,659</u>	<u>2,140,659</u>


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

The funds breakdown for 2020 is shown in note 9.

**Arrahma Islamic centre (CIO)**  
**(Registration number: 1181445)**  
**Balance Sheet as at 31 March 2021**

	Note	31 March 2021 £	31 March 2020 £
<b>Fixed assets</b>			
Tangible assets	7	2,369,936	2,421,159
<b>Creditors: Amounts falling due within one year</b>	8	<u>(280,500)</u>	<u>(280,500)</u>
<b>Net assets</b>		<u>2,089,436</u>	<u>2,140,659</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>2,089,436</u>	<u>2,140,659</u>
<b>Total funds</b>	9	<u>2,089,436</u>	<u>2,140,659</u>

The financial statements on pages 5 to 11 were approved by the trustees, and authorised for issue on 28/01/22 and signed on their behalf by:

  
 .....  
 Muhyadin Mahad Shafad  
 Trustee

## **Arrahma Islamic centre (CIO)**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Arrahma Islamic centre (CIO) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *Charitable activities*

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

**Arrahma Islamic centre (CIO)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**2 Income from donations and legacies**

	<b>Total</b>	<b>Total</b>
	<b>31 March 2021</b>	<b>7 January 2019 to 31 March 2020</b>
	<b>£</b>	<b>£</b>
Grants, including capital grants;		
Grants from other charities	-	2,193,382
	-	2,193,382
	-	2,193,382

**3 Expenditure on charitable activities**

	<b>Unrestricted funds</b>	<b>Total</b>	<b>Total</b>
	<b>General</b>	<b>31 March 2021</b>	<b>7 January 2019 to 31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation, amortisation and other similar costs	51,223	51,223	51,223
Governance costs	-	-	1,500
	51,223	51,223	52,723
	51,223	51,223	52,723

**4 Analysis of governance and support costs**

**Governance costs**

	<b>Total</b>	<b>Total</b>
	<b>31 March 2021</b>	<b>7 January 2019 to 31 March 2020</b>
	<b>£</b>	<b>£</b>
Audit fees		
Audit of the financial statements	-	1,500
	-	1,500
	-	1,500

**5 Net incoming/outgoing resources**

Net (outgoing)/incoming resources for the year include:

	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>£</b>	<b>£</b>
Audit fees	-	1,500
Depreciation of fixed assets	51,223	51,223
	51,223	51,223
	51,223	51,223

## Arrahma Islamic centre (CIO)

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 6 Taxation

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

#### 7 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2020	2,401,000	15,782	4,377	2,421,159
At 31 March 2021	2,401,000	15,782	4,377	2,421,159
<b>Depreciation</b>				
Charge for the year	49,000	1,128	1,095	51,223
At 31 March 2021	49,000	1,128	1,095	51,223
<b>Net book value</b>				
At 31 March 2021	2,352,000	14,654	3,282	2,369,936
At 31 March 2020	2,401,000	15,782	4,377	2,421,159

#### 8 Creditors: amounts falling due within one year

	31 March 2021 £	31 March 2020 £
Other creditors	279,000	279,000
Accruals	1,500	1,500
	<u>280,500</u>	<u>280,500</u>

#### 9 Funds

	Balance at 1 April 2020 £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>			
General	2,140,659	(51,223)	2,089,436

**Arrahma Islamic centre (CIO)**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 March 2020 £</b>
<b>Unrestricted funds</b>			
General	<u>2,193,382</u>	<u>(52,723)</u>	<u>2,140,659</u>

**10 Analysis of net assets between funds**

	<b>Unrestricted funds General £</b>	<b>Total funds 31 March 2021 £</b>
Tangible fixed assets	2,369,936	2,369,936
Current liabilities	<u>(280,500)</u>	<u>(280,500)</u>
Total net assets	<u>2,089,436</u>	<u>2,089,436</u>

	<b>Unrestricted funds General £</b>	<b>Total funds 7 January 2019 to 31 March 2020 £</b>
Tangible fixed assets	2,421,159	2,421,159
Current liabilities	<u>(280,500)</u>	<u>(280,500)</u>
Total net assets	<u>2,140,659</u>	<u>2,140,659</u>