

Charity registration number: 1181445

Arrahma Islamic centre (CIO)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Arrahma Islamic centre (CIO)

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 3
Statement of Trustees' Responsibilities	4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
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

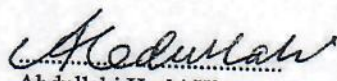
	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies			
Other income		123,605	123,605
Total income		<u>211,527</u>	<u>211,527</u>
		335,132	335,132
Expenditure on:			
Charitable activities			
Other expenditure	5	(329,221)	(329,221)
Total expenditure		<u>(66,223)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

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 £
Fixed assets			
Tangible assets	11	2,505,671	2,501,849
Current assets			
Debtors	12	48,785	41,673
Cash at bank and in hand	13	25,923	120,433
		74,708	162,106
Creditors: Amounts falling due within one year	14	(206,551)	(229,815)
Net current liabilities		(131,843)	(67,709)
Net assets		2,373,828	2,434,140
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		2,373,828	2,434,140
Total funds	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 01/04/24 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
	<u>104,019</u>	<u>104,019</u>	<u>99,572</u>

7 Net incoming/outgoing resources

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

	2023 £	2022 £
Depreciation of fixed assets	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

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 £
Cost				
At 1 April 2022	2,602,230	50,023	5,472	2,657,725
Additions	67,045	-	3,000	70,045
At 31 March 2023	2,669,275	50,023	8,472	2,727,770
Depreciation				
At 1 April 2022	147,000	5,591	3,285	155,876
Charge for the year	53,386	11,108	1,729	66,223
At 31 March 2023	200,386	16,699	5,014	222,099
Net book value				
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 £
Unrestricted funds				
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 £
Unrestricted funds				
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	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
	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

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.

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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 01/11/24 and signed on its behalf by:



Abdullahi Hashi Kheyre
Trustee