

**Charity Registration Number: 1183816**

## **Alhikmah Project**

### **Trustees Report and Financial Statements**

**For the year ended 31 March 2023**

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**Trustees report**  
**For the year ended 31 March 2023**

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The trustees present their report along with the financial statements of the charity for the year ended 31 March 2023. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document.

**Reference and administrative details of the charity**

**Charity registration number**                      **1183816**

**Correspondence address**

Sakien Taj  
5 Greenhead Drive  
Keighley  
West Yorkshire  
BD20 6EZ

**Trustees**

Ekthisham Israil  
Shohab Ali  
Sakien Taj  
Faiz Alam

**Independent Examiner**

Asif Hussain ACMA  
41 Woodstock Road  
Moseley  
Birmingham  
West Midlands  
B13 9BD

**Bankers**

Barclays Bank Plc  
77 North Street  
Keighley  
West Yorkshire  
BD21 3SA

HSBC Bank Plc  
36 North Street  
Keighley  
West Yorkshire  
BD21 3SF

**Trustees Report (continued)**  
**For the year ended 31 March 2023**

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**Structure, Governance and Management**

**a. Governing Document**

The charity is a Charitable Incorporated Organisation (CIO) and is governed by its constitution dated 10th June 2019.

**b. Method of appointment and induction of new Trustees**

New Trustees are appointed by existing members of the CIO.

**c. Organisational structure and decision making**

The Trustees oversee the running of the charity on a day to day basis. All operational decisions are made at meetings which are held frequently throughout the year.

**d. Risk management**

The trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems, controls and procedures are in place to mitigate exposure to the major risks.

**Objectives and Activities**

**a. Summary of objectives**

The objectives of the Charity as set out in its constitution are summarised as follows:

1. To advance the Islamic faith in accordance with the schedule of beliefs.
2. To further or benefit the residents of Keighley and the neighbourhood.

**b. Activities for achieving objectives**

The following activities were undertaken in the year to achieve the objectives:

1. Running of Al Hikmah Project
2. Running of Mosque and Madrassah

The Trustees frequently review the objectives and activities of the Charity to ensure that they provide an overall benefit to the public. In carrying out this review the Trustees have considered the Charity Commission's general guidance on public benefit.

**Achievements and Performance**

On 22 March 2022 the charity was transferred all the assets and liabilities of Jamiat Ahl-e-Hadith Keighley (charity registration number 1005321). In the year the charity maintained the running of Al Hikmah Project, the Mosque and Madrassah to achieve its objectives. The Al Hikmah Project continued with the provision of youth facilities and a nursery in line with government advice. Rental income from properties and the car park continued to be earned in the year at an increased rate.

Refurbishment of the basement in the mosque was carried out to improve services for the community. £199,650 was paid in the year to various contractors for building the new centre for Al Hikmah Project.

The Trustees are satisfied with the overall performance of the charity.

**Trustees Report (continued)**  
**For the year ended 31 March 2023**

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**Financial Review**

**a. Reserves policy**

The Charity's reserve policy is to maintain a sufficient level of liquid reserves to meet short term obligations and any unforeseen expenditure. The current level of income generated by the charity is sufficient to meet our short term obligations and the Charity generated a net surplus of £8,065 in the year. The trustees wish to build up the Charity's reserves with rental income, car park income and public donations in accordance with the policy on reserves to ensure future sustainability.

**b. Principle funding**

During the year the Charity raised a total of £117,740 in incoming resources before charitable expenditure. This was a decrease from the previous year and was mainly due to an decrease in funds generated from the community and fundraising activities. Of the total incoming resources £21,543 were restricted donations for Al Hikmah Project, £14,011 was rental income from the residential properties, £62,795 were general unrestricted donations, £13,913 was generated from Madrassah fees and £5,478 was generated from the car park.

The loan of £50,000 made in 2019 to Fountain of Knowledge charity was partially repaid in the year by £10,000 and final repayment of the remaining £10,000 is expected next year. £50,000 was received during the year from Middlesborough masjid to fund the renovation and is repayable by 2026. The charity made a loan of £8,978 to the current imam to assist him for the visa application for his dependants.

**Plans for the future**

The Charity's priority is to become self sufficient from the income streams generated to meet its charitable expenditure. Renovation of the current Al Hikmah site has commenced and will be carried out over the next 2 years to provided better larger classes. Also, Madrassah activities will take place at the Al Hikmah Project site, moving from the current mosque. Fundraising activities will need to continue to generate additional funds from the general public.

**Statement of Trustees' responsibilities**

Charity Law requires the Trustees' to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the Charity and its financial activities for that year. In preparing those financial statements, the Trustees are required to:

- \* select suitable accounting policies and apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 operational existence.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure the financial statements comply with the Charities Act 2011. They 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.

This report was approved by the Trustees on 21 December 2023 and signed on their behalf by:

.....  .....

**Sakien Taj**

## Independent examiner's report to the Trustees of AlHikmah Project

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I report to the Trustees on my examination of the financial statements of the Charity for the year ended 31 March 2023, which are set out on pages 5 to 12.

### Respective responsibilities of trustees and examiner

The Charity's Trustees consider that an audit is not required for this year (under section 145) of the Charities Act 2011 (the Act) and that an independent examination is required.

It is my responsibility to:

- \* examine the accounts (under section 145 of the Act);
- \* to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- \* to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, I do not express an audit opinion on the accounts.

### Independent examiner's statement

in the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that:

- \* proper accounting records are kept (in accordance with section 130 of the Act); and
- \* accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....  .....

**Asif Hussain ACMA**

41 Woodstock Road  
Moseley  
Birmingham  
West Midlands  
B13 9BD

Dated 23 December 2023

**Statement of financial activities**  
**For the year ended 31 March 2023**

		<b>Restricted Funds 2023 £</b>	<b>Unrestricted Funds 2023 £</b>	<b>Total Funds 2023 £</b>	<b>Total Funds 2022 £</b>
	<b>Note</b>				
<b>Incoming Resources</b>					
Incoming resources from generating funds					
Voluntary Income Donations		21,543	62,795	84,338	118,760
Incoming resources from charitable activities					
Madrassah Fees		-	13,913	13,913	9,589
Rental Income		-	14,011	14,011	903
Car Park Income		-	5,478	5,478	1,461
Other income				-	11,397
<b>Total Incoming resources</b>		<b>21,543</b>	<b>96,197</b>	<b>117,740</b>	<b>142,110</b>
<b>Resources expended</b>					
Costs of generating funds					
Costs of generating voluntary income		840	15,589	16,429	10,132
Charitable activities	6	20,452	69,769	90,221	118,048
Governance costs	2	-	3,025	3,025	500
<b>Total Resources expended</b>	<b>5</b>	<b>21,292</b>	<b>88,383</b>	<b>109,675</b>	<b>128,680</b>
<b>Net incoming resources before transfers</b>		<b>251</b>	<b>7,814</b>	<b>8,065</b>	<b>13,430</b>
<b>Gross transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds for the year</b>		<b>251</b>	<b>7,814</b>	<b>8,065</b>	<b>13,430</b>
Total funds at 1 April 2022		986,782	329,850	1,316,632	1,303,202
<b>Total funds at 31 March 2023</b>		<b>987,033</b>	<b>337,664</b>	<b>1,324,697</b>	<b>1,316,632</b>

The notes on pages 7 to 12 form part of these financial statements

**Balance sheet**  
**As at 31 March 2023**

			2023	2022
	Note	£	£	£
<b>Fixed assets</b>				
Tangible fixed assets	10		978,942	996,575
			<b>978,942</b>	<b>996,575</b>
<b>Current assets</b>				
Cash at bank and in hand		62,827	178,532	
Prepayments		329,950	134,525	
Debtors		18,978	20,000	
		<b>411,755</b>	<b>333,057</b>	
<b>Creditors:</b> amounts falling and due within one year	11	<b>(66,000)</b>	<b>(13,000)</b>	
<b>Net current assets</b>			<b>345,755</b>	<b>320,057</b>
			<b>1,324,697</b>	<b>1,316,632</b>
<b>Charity Funds</b>				
Restricted funds	12		987,033	986,782
Unrestricted funds	12		337,664	329,850
<b>Total Funds</b>			<b>1,324,697</b>	<b>1,316,632</b>

The financial statements were approved by the Trustees on 21 December 2023 and signed on their behalf by:

.....  .....

Sakien Taj

**Notes to the financial statements  
For the year ended 31 March 2023**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011.

**1.2 Fund Accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restriction imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

**1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Voluntary income - including donations, gifts and grants that provide core funding or are of general nature, are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from Charitable Activities - including income recognised as earned from related goods or services which are provided.

**1.4 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Charitable Activities include those costs that are directly related to the objectives of the Charity.

Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements.

Support Costs for a single activity are allocated directly to that activity. Where support costs relate to several activities they have been apportioned on a basis consistent with the use of the resources.

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**1. Accounting policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	- 2% straight line
Fixtures & fittings	- 12.5% straight line

Freehold land costing £560,413 is not depreciated.

**1.6 Taxation**

As a registered charity, the charity is exempt from Income and Corporation tax to the extent that its income and gains are applicable to the charitable purposes only.

**2. Governance costs**

	<b>Restricted Funds 2023 £</b>	<b>Unrestricted Funds 2023 £</b>	<b>Total Funds 2023 £</b>	<b>Total Funds 2022 £</b>
Accountancy costs	-	350	350	350
Independent examination fees	-	150	150	150
Incorporation fees	-	2,525	2,525	-
	<b>-</b>	<b>3,025</b>	<b>3,025</b>	<b>500</b>

**3. Direct Costs**

	<b>Basis of allocation</b>	<b>Running of Mosque 2023 £</b>	<b>Running of Al Hikmah Project 2023 £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Direct	Usage	15,589	840	16,429	11,804
Wages and Salaries	Usage	17,722	12,961	30,683	55,389
		<b>33,311</b>	<b>13,801</b>	<b>47,112</b>	<b>67,193</b>

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**4. Support costs**

	Basis of allocation	Running of Mosque 2023 £	Running of Al Hikmah Project 2023 £	Total 2023 £	Total 2022 £
Management and administration	Usage	52,047	7,491	59,538	60,987
		<b>52,047</b>	<b>7,491</b>	<b>59,538</b>	<b>60,987</b>

**5. Analysis of resources expended by expenditure type**

	Staff costs 2023 £	Other Costs 2023 £	Total 2023 £	Total 2022 £
Costs of generating voluntary income	-	16,429	16,429	10,132
Running of Mosque	17,722	52,047	69,769	68,997
Running of Al Hikmah Project	12,961	7,491	20,452	47,379
	<b>30,683</b>	<b>59,538</b>	<b>90,221</b>	<b>116,376</b>
Governance costs	-	3,025	3,025	500
	<b>30,683</b>	<b>78,992</b>	<b>109,675</b>	<b>127,008</b>

**6. Analysis of resources expended by activities**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total 2023 £	Total 2022 £
Running of Mosque	17,722	52,047	69,769	68,997
Running of Al Hikmah Project	12,961	7,491	20,452	47,379
	<b>30,683</b>	<b>59,538</b>	<b>90,221</b>	<b>116,376</b>

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**7. Net incoming resources**

This is stated after charging

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	29,438	15,943
- owned by the Charity		
	<b>29,438</b>	<b>15,943</b>

**8. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	30,683	55,389
	<b>30,683</b>	<b>55,389</b>

No employee received remuneration amounting to more than £60,000 in the year.

**9. Related party transactions**

During the year, no Trustees received any remuneration.

During the year, no Trustees received any benefits in kind.

During the year, no trustees received any reimbursement of expenses.

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**10. Tangible fixed assets**

	<b>Freehold land and building</b>	<b>Fixtures and fittings</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2022	1,121,405	133,937	1,255,342
Additions	-	11,805	11,805
Disposals	-	-	-
At 31 March 2023	<b>1,121,405</b>	<b>145,742</b>	<b>1,267,147</b>
<b>Depreciation</b>			
At 1 April 2022	151,593	107,174	258,767
Additions	11,220	18,218	29,438
Disposals	-	-	-
At 31 March 2023	<b>162,813</b>	<b>125,392</b>	<b>288,205</b>
<b>Net book value At 31 March 2023</b>	<b>958,592</b>	<b>20,350</b>	<b>978,942</b>
At 31 March 2022	969,812	26,763	996,575

Freehold land and building includes land at cost of £560,413 which is not depreciated

**11. Creditors:**

**Amount falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other Creditors	62,500	12,500
Social security and other taxation	-	-
Accruals and deferred income	3,500	500
	<b>66,000</b>	<b>13,000</b>

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**12. Statement of funds**

	<b>Brought forward £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers in/(out) £</b>	<b>Carried forward £</b>
<b>General fund</b>	329,850	96,197	(88,383)	-	337,664
Total unrestricted funds	<u><b>329,850</b></u>	<u><b>96,197</b></u>	<u><b>(88,383)</b></u>	<u><b>-</b></u>	<u><b>337,664</b></u>
<b>Restricted funds</b>					
Al Hikmah Project	986,782	21,543	(21,292)	-	987,033
<b>Total Funds</b>	<u><b>1,316,632</b></u>	<u><b>117,740</b></u>	<u><b>(109,675)</b></u>	<u><b>-</b></u>	<u><b>1,324,697</b></u>