

Charity registration number: 1191746

# Al-Mahdi Institute

Annual Report and Financial Statements

for the Year Ended 31 March 2025

Smartax Limited  
Chartered Certified Accountants and Statutory Auditors  
38 Station Road  
Harrow  
Middlesex  
HA2 7SE

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## Reference and Administrative Details

|                                    |                                                        |
|------------------------------------|--------------------------------------------------------|
| <b>Trustees</b>                    | Sheikh A Abdulhussein                                  |
|                                    | Mr M Ladak                                             |
|                                    | Mr A A Dato                                            |
| <b>Senior Management</b>           | Sheikh A Abdulhussein, Director of the Institute       |
|                                    | Dr H Bata, Managing Director                           |
| <b>Charity Registration Number</b> | 1191746                                                |
| <b>Principal Office</b>            | 60 Weoley Park Road                                    |
|                                    | Selly Oak                                              |
|                                    | Birmingham                                             |
|                                    | B29 6RB                                                |
| <b>Auditor</b>                     | Smartax Limited                                        |
|                                    | Chartered Certified Accountants and Statutory Auditors |
|                                    | 38 Station Road                                        |
|                                    | Harrow                                                 |
|                                    | Middlesex                                              |
| <b>Bankers</b>                     | HA2 7SE                                                |
|                                    | HSBC Bank Plc                                          |
|                                    | 96 High Street                                         |
|                                    | Kings Heath                                            |
|                                    | B14 7LD                                                |

## **Trustees' Report**

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

### **Objectives and activities**

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

The principle objectives of the charity, in line with those set out in the governing document, include: Provision of an Islamic research and resources Centre; Undertaking research and publishing any useful results for the benefit of the public; Establishing and running an outstanding educational institute (seminary) that will foster active and collaborative links with leading global educational institutes.

More specifically this includes, but is not limited to:

- i. To educate and train scholars and orators who are capable of positively engaging with challenges of plural contemporary societies, through a thorough grounding in the tools of Muslim scholarship and their value in promoting common human values.
- ii. To conduct research and studies, to publish scholarly and grass roots works in pursuit of the objectives of the Institute.
- iii. To maintain libraries and centres to facilitate the attainment of the objectives.
- iv. Conduct outreach activities disseminating the scholarly work of the institute and serving humanitarian goals.
- v. Intra and inter-faith activities as a platform for public engagement and social cohesion on matters arising from the plural context of society and in pursuit of shared human goals.
- vi. Community service programmes seeking to aid volunteering and third sector work in general, with particular focus on capacity building amongst youth groups and women's networks.
- vii. To raise funds and invite and receive contributions from any person or persons whosoever including business organisations by way of subscriptions, donations or otherwise for its charitable objects.

#### ***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.

## Trustees' Report

### Achievements and performance

Achievements have included:

#### 1. Education

In furtherance of its charitable objective to advance education in Islamic studies, the Institute continued to deliver structured programmes of higher learning throughout the reporting period. Educational provision was delivered primarily through distance-learning and blended formats, enabling access to students both within the United Kingdom and internationally.

During the year, the Institute maintained and enhanced its digital learning infrastructure, including its learning management systems and class recording capabilities, to ensure effective delivery of teaching, assessments, and academic support. These developments supported continuity of learning and improved the overall student experience.

The Institute also continued its academic collaboration with the University of Birmingham, providing a progression pathway for eligible students into postgraduate study in Islamic Studies. This partnership supports the Institute's objective of facilitating access to recognised higher education and promoting academic excellence within the field.

#### 2. Research

In support of its charitable objectives, the Institute maintained an active programme of research, scholarly engagement, and public education during the year.

##### Academic Conferences and Workshops

During the reporting period, the Institute hosted and convened a range of academic events, including:

An academic conference on Islamic Mysticism and Spirituality (April 2024), examining the concept of waḥdat al-wujūd (Oneness of Being) and its theological, philosophical, and intellectual implications. The 12th annual Contemporary Fiqhī Issues Workshop (July 2024), which brought together scholars to examine questions of language and meaning within Islamic legal theory. A roundtable conference organised by the Centre for Intra-Muslim Studies (CIMS) (January 2025), exploring scholarly perspectives on Islam and violence. A programme of specialist research seminars delivered during the year, supporting scholarly exchange and postgraduate research development.

These activities contributed to the advancement of knowledge, encouraged critical academic discourse, and fostered engagement between scholars from diverse backgrounds.

## **Trustees' Report**

During the reporting period, the International Centre for Collective Ijtihad (ICCI) continued to fulfil its educational and scholarly remit by convening panels of experts to deliberate on contemporary jurisprudential issues and publishing reasoned guidance for public benefit. Statements issued during the year included “Is it permissible for females who are in the state of menstruation to visit holy places and touch religious artefacts?” (30 January 2025). In parallel, the Centre undertook substantive scholarly work on a range of further ethical and legal questions, including human milk banks, which culminated in guidance published shortly after the end of the reporting period. Alongside this, the Centre for Islamic Decrees and Doctrines (DIA) issued authoritative guidance during the year on “Determining the first of the Islamic month” (9 April 2024) and “Qur’an and ritual purity” (30 April 2024), and delivered educational activity addressing applied jurisprudential matters. Collectively, these activities supported the Institute’s charitable objective of advancing education and promoting informed understanding of Islamic law on issues of contemporary relevance

As part of its ongoing commitment to research development, the Institute undertook preparatory work during the year for forthcoming academic activity. This included issuing calls for papers and opening registrations for future conferences in Qur’anic Studies and Islamic Philosophy and Theology, supporting the sustainability of the Institute’s research objectives beyond the reporting period.

### ***Key non-financial performance indicators***

Strategic and specific performance review of above activities operates at multiple levels; project managers/responsible staff operate under review from the Education and Research Board, who in turn are accountable to trustees.

Each activity stream undergoes periodic review by the Education and Research Board - this is informed by recorded stakeholder feedback (e.g. from students, community participants, collaborative organisations, patrons and members of the general public). Assessment of impact is measured against such feedback, the long term goals of the Institute and the cost-effectiveness of the said activity.

### **Financial review**

The Institute showed income totalling £1,369,148 (2024 - £986,913) for the year ended 31 March 2025. An increase of £382,235 (2024 - decrease of £4,306) on income in the year ended 31 March 2025.

Expenditure for the year totalled £1,096,652 (2024 - £998,098) for the year ended 31 March 2025, an increase of £98,554 (2024 - £18,279) compared to the previous year ended 31 March 2024. The increase was due to the growth of research activities.

The asset position remains strong with funds of £3,173,130.

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

The charity has a number of restricted funds and details of these are given in note 22.

The charity continues to build up and keep sufficient reserves in order to meet its charitable objectives.

## **Trustees' Report**

### ***Risk management***

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

### ***Principal funding sources***

The charity is supported currently primarily by a number of key donors. The Trustees ensure that they have processes for the identification of significant donors and recording of such donations in order to comply with legislative requirements.

### **Plans for future periods**

#### ***Aims and key objectives for future periods***

Priorities and plans for the future currently include:

- Maintain the open philosophy and non-dogmatic pursuit of excellence in training students of Muslim religious thought in the educational programmes of the Institute
- Grow the student intake across all streams of the educational programmes
- Increase scholarship funding for students
- Increase rigor of virtual learning processes
- Continue to increase the research output of the Institute through hosting workshops and seminars at AMI, and by driving faculty publications and contributions to AMI events
- Build on existing partnerships, and develop new institutional relationships, towards delivery of collaborative research and teaching programmes
- Continue to be at the forefront of Muslim engagement in inter-faith activities across the Institute's education, research and outreach programmes
- Continue translation projects including completion of the Hilli project

### **Trustees and Officers**

The trustees and officers serving during the year and since the year end were as follows:

|                                      |                       |
|--------------------------------------|-----------------------|
| Trustees:                            | Sheikh A Abdulhussein |
|                                      | Mr M Ladak            |
|                                      | Mr A A Datto          |
| Senior Management / Leadership Team: | Sheikh A Abdulhussein |
|                                      | Dr H Bata             |

## **Trustees' Report**

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

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

The charity was previously an unincorporated entity formed under the constitution dated 21 May 2000 and revised in July 2003 and January 2014. It was registered with the Charity Commission under registration number 1080962. In October 2020 the charity completed the registration process of becoming a Charitable Incorporated Organisation (CIO) and registered with the Charity Commission under a new registration number 1191746 and latest constitution dated 3 June 2020.

During last year, the charity completed the process of transferring its assets and activities across to the charitable incorporated entity and reported the full results relevant to the period prior to transfer.

#### ***Recruitment and appointment of trustees***

The trustees are elected by the members at the annual general meeting and serve office for a period of three years after which they may put themselves up for re-election. The constitution provides for a minimum of three trustees and not more than five trustees due for re-appointment in any one year.

#### ***Organisational structure***

The trustees have overall responsibility for the activities of the charity but delegate day to day operational matters to the principle and relevant staff.

## **Trustees' Report**

### **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 parent charity and the group of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### **Reappointment of auditor**

A resolution for the re-appointment of Smartax Limited as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 31 January 2026 and signed on its behalf by:

.....  
Sheikh A Abdulhussein  
Trustee

.....  
Mr M Ladak  
Trustee

## **Independent Auditor's Report to the Members of Al-Mahdi Institute**

### **Opinion**

We have audited the financial statements of Al-Mahdi Institute (the 'charitable parent') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of Al-Mahdi Institute**

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Report) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities (set out on page 7), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Independent Auditor's Report to the Members of Al-Mahdi Institute**

We gained an understanding of the legal and regulatory framework applicable to the group and charity and the environment in which they operate, and considered the risk of acts by the group and charity that were contrary to applicable laws and regulations, including fraud. Our audit procedures were designed to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, financial reporting legislation, the Charities Act 2011 and UK pensions and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management regarding correspondence with regulators and tax authorities.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it and therefore we have communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates. We addressed the risk of management override of internal controls through testing journals. We evaluated whether there was evidence of bias by the directors in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in any significant accounting estimates.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the parent charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Smartax Limited  
Chartered Certified Accountants and Statutory Auditors  
38 Station Road  
Harrow  
Middlesex  
HA2 7SE

31 January 2026

Smartax Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**Statement of Financial Activities for the Year Ended 31 March 2025**  
**(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

|                                    | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2025<br>£      | Total<br>2024<br>£      |
|------------------------------------|------|----------------------------|--------------------------|-------------------------|-------------------------|
| <b>Income and Endowments from:</b> |      |                            |                          |                         |                         |
| Donations and legacies             | 2    | 628,590                    | 180,886                  | 809,476                 | 475,319                 |
| Charitable activities              | 3    | 36,241                     | -                        | 36,241                  | 45,404                  |
| Other trading activities           | 4    | 73,832                     | -                        | 73,832                  | 189,942                 |
| Investment income                  | 5    | 5,353                      | -                        | 5,353                   | 6                       |
| Other income                       | 6    | 325,713                    | -                        | 325,713                 | 276,242                 |
| Total income                       |      | <u>1,069,729</u>           | <u>180,886</u>           | <u>1,250,615</u>        | <u>986,913</u>          |
| <b>Expenditure on:</b>             |      |                            |                          |                         |                         |
| Raising funds                      | 7    | (22,046)                   | -                        | (22,046)                | (21,718)                |
| Charitable activities              | 8    | <u>(898,287)</u>           | <u>(142,778)</u>         | <u>(1,041,065)</u>      | <u>(976,380)</u>        |
| Total expenditure                  |      | <u>(920,333)</u>           | <u>(142,778)</u>         | <u>(1,063,111)</u>      | <u>(998,098)</u>        |
| Net income/(expenditure)           |      | <u>149,396</u>             | <u>38,108</u>            | <u>187,504</u>          | <u>(11,185)</u>         |
| Net movement in funds              |      | 149,396                    | 38,108                   | 187,504                 | (11,185)                |
| <b>Reconciliation of funds</b>     |      |                            |                          |                         |                         |
| Total funds brought forward        |      | <u>2,875,504</u>           | <u>25,130</u>            | <u>2,900,634</u>        | <u>2,911,819</u>        |
| Total funds carried forward        | 22   | <u><u>3,024,900</u></u>    | <u><u>63,238</u></u>     | <u><u>3,088,138</u></u> | <u><u>2,900,634</u></u> |

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

The funds breakdown for 2024 is shown in note 22.

The notes on pages 17 to 36 form an integral part of these financial statements.

**Consolidated Statement of Financial Activities for the Year Ended 31 March 2025**  
**(Including Consolidated Income and Expenditure Account and Statement of Total**  
**Recognised Gains and Losses)**

|                                    | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2025<br>£      | Total<br>2024<br>£      |
|------------------------------------|------|----------------------------|--------------------------|-------------------------|-------------------------|
| <b>Income and Endowments from:</b> |      |                            |                          |                         |                         |
| Donations and legacies             | 2    | 628,590                    | 180,886                  | 809,476                 | 475,319                 |
| Charitable activities              | 3    | 36,241                     | -                        | 36,241                  | 45,404                  |
| Other trading activities           | 4    | 192,365                    | -                        | 192,365                 | 189,942                 |
| Investment income                  | 5    | 5,353                      | -                        | 5,353                   | 6                       |
| Other income                       | 6    | 325,713                    | -                        | 325,713                 | 276,242                 |
| Total income                       |      | <u>1,188,262</u>           | <u>180,886</u>           | <u>1,369,148</u>        | <u>986,913</u>          |
| <b>Expenditure on:</b>             |      |                            |                          |                         |                         |
| Raising funds                      | 7    | (55,587)                   | -                        | (55,587)                | (21,718)                |
| Charitable activities              | 8    | <u>(898,287)</u>           | <u>(142,778)</u>         | <u>(1,041,065)</u>      | <u>(976,380)</u>        |
| Total expenditure                  |      | <u>(953,874)</u>           | <u>(142,778)</u>         | <u>(1,096,652)</u>      | <u>(998,098)</u>        |
| Net income/(expenditure)           |      | <u>234,388</u>             | <u>38,108</u>            | <u>272,496</u>          | <u>(11,185)</u>         |
| Net movement in funds              |      | 234,388                    | 38,108                   | 272,496                 | (11,185)                |
| <b>Reconciliation of funds</b>     |      |                            |                          |                         |                         |
| Total funds brought forward        |      | <u>2,875,504</u>           | <u>25,130</u>            | <u>2,900,634</u>        | <u>2,911,819</u>        |
| Total funds carried forward        | 22   | <u><u>3,109,892</u></u>    | <u><u>63,238</u></u>     | <u><u>3,173,130</u></u> | <u><u>2,900,634</u></u> |

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

The funds breakdown for 2024 is shown in note 22.

The notes on pages 17 to 36 form an integral part of these financial statements.

**(Registration number: 1191746)**  
**Consolidated Balance Sheet as at 31 March 2025**

|                                                                | Note | 2025<br>£               | 2024<br>£               |
|----------------------------------------------------------------|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                            |      |                         |                         |
| Tangible assets                                                | 15   | 2,784,317               | 2,832,600               |
| <b>Current assets</b>                                          |      |                         |                         |
| Debtors                                                        | 17   | 84,019                  | 90,774                  |
| Cash at bank and in hand                                       | 18   | <u>420,044</u>          | <u>82,095</u>           |
|                                                                |      | 504,063                 | 172,869                 |
| <b>Creditors: Amounts falling due within one year</b>          | 19   | <u>(113,662)</u>        | <u>(91,081)</u>         |
| <b>Net current assets</b>                                      |      | <u>390,401</u>          | <u>81,788</u>           |
| <b>Total assets less current liabilities</b>                   |      | 3,174,718               | 2,914,388               |
| <b>Creditors: Amounts falling due after more than one year</b> | 20   | <u>(1,588)</u>          | <u>(13,754)</u>         |
| <b>Net assets</b>                                              |      | <u><u>3,173,130</u></u> | <u><u>2,900,634</u></u> |
| <b>Funds of the group:</b>                                     |      |                         |                         |
| <b>Restricted income funds</b>                                 |      |                         |                         |
| Restricted funds                                               |      | 63,238                  | 25,130                  |
| <b>Unrestricted income funds</b>                               |      |                         |                         |
| Unrestricted funds                                             |      | <u>3,109,892</u>        | <u>2,875,504</u>        |
| <b>Total funds</b>                                             | 22   | <u><u>3,173,130</u></u> | <u><u>2,900,634</u></u> |

The financial statements on pages 11 to 36 were approved by the trustees, and authorised for issue on 31 January 2026 and signed on their behalf by:

.....  
 Sheikh A Abdulhussein  
 Trustee

.....  
 Mr M Ladak  
 Trustee

The notes on pages 17 to 36 form an integral part of these financial statements.

**(Registration number: 1191746)**  
**Balance Sheet as at 31 March 2025**

|                                                                | Note | 2025<br>£        | 2024<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 15   | 2,784,317        | 2,832,600        |
| Investments                                                    |      | 100              | -                |
|                                                                |      | <u>2,784,417</u> | <u>2,832,600</u> |
| <b>Current assets</b>                                          |      |                  |                  |
| Debtors                                                        | 17   | 68,923           | 90,774           |
| Cash at bank and in hand                                       | 18   | 335,494          | 82,095           |
|                                                                |      | 404,417          | 172,869          |
| <b>Creditors: Amounts falling due within one year</b>          | 19   | (99,108)         | (91,081)         |
| <b>Net current assets</b>                                      |      | <u>305,309</u>   | <u>81,788</u>    |
| <b>Total assets less current liabilities</b>                   |      | 3,089,726        | 2,914,388        |
| <b>Creditors: Amounts falling due after more than one year</b> | 20   | (1,588)          | (13,754)         |
| <b>Net assets</b>                                              |      | <u>3,088,138</u> | <u>2,900,634</u> |
| <b>Funds of the charity:</b>                                   |      |                  |                  |
| <b>Restricted income funds</b>                                 |      |                  |                  |
| Restricted funds                                               |      | 63,238           | 25,130           |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| Unrestricted funds                                             |      | <u>3,024,900</u> | <u>2,875,504</u> |
| <b>Total funds</b>                                             | 22   | <u>3,088,138</u> | <u>2,900,634</u> |

The financial statements on pages 11 to 36 were approved by the trustees, and authorised for issue on 31 January 2026 and signed on their behalf by:

.....  
 Sheikh A Abdulhussein  
 Trustee

.....  
 Mr M Ladak  
 Trustee

The notes on pages 17 to 36 form an integral part of these financial statements.

## Consolidated Statement of Cash Flows for the Year Ended 31 March 2025

|                                                      | Note | 2025<br>£             | 2024<br>£            |
|------------------------------------------------------|------|-----------------------|----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                      |
| Net cash income/(expenditure)                        |      | 272,496               | (11,185)             |
| <b>Adjustments to cash flows from non-cash items</b> |      |                       |                      |
| Depreciation                                         | 7    | 95,400                | 102,868              |
| Investment income                                    | 5    | <u>(5,353)</u>        | <u>(6)</u>           |
|                                                      |      | 362,543               | 91,677               |
| <b>Working capital adjustments</b>                   |      |                       |                      |
| Decrease/(increase) in debtors                       | 17   | 6,755                 | (29,233)             |
| Increase/(decrease) in creditors                     | 19   | <u>20,621</u>         | <u>(834)</u>         |
| Net cash flows from operating activities             |      | <u>389,919</u>        | <u>61,610</u>        |
| <b>Cash flows from investing activities</b>          |      |                       |                      |
| Interest receivable and similar income               | 5    | 5,353                 | 6                    |
| Purchase of tangible fixed assets                    | 15   | <u>(47,117)</u>       | <u>-</u>             |
| Net cash flows from investing activities             |      | (41,764)              | 6                    |
| <b>Cash flows from financing activities</b>          |      |                       |                      |
| Repayment of loans and borrowings                    | 19   | <u>(10,206)</u>       | <u>(10,699)</u>      |
| Net increase in cash and cash equivalents            |      | 337,949               | 50,917               |
| Cash and cash equivalents at 1 April                 |      | <u>82,095</u>         | <u>31,178</u>        |
| Cash and cash equivalents at 31 March                |      | <u><u>420,044</u></u> | <u><u>82,095</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 17 to 36 form an integral part of these financial statements.

## Statement of Cash Flows for the Year Ended 31 March 2025

|                                                       | Note | 2025<br>£             | 2024<br>£            |
|-------------------------------------------------------|------|-----------------------|----------------------|
| <b>Cash flows from operating activities</b>           |      |                       |                      |
| Net cash income/(expenditure)                         |      | 187,504               | (11,185)             |
| <b>Adjustments to cash flows from non-cash items</b>  |      |                       |                      |
| Depreciation                                          | 7    | 95,400                | 102,868              |
| Investment income                                     | 5    | <u>(5,353)</u>        | <u>(6)</u>           |
|                                                       |      | 277,551               | 91,677               |
| <b>Working capital adjustments</b>                    |      |                       |                      |
| Decrease/(increase) in debtors                        | 17   | 21,851                | (29,233)             |
| Increase/(decrease) in creditors                      | 19   | <u>6,067</u>          | <u>(834)</u>         |
| Net cash flows from operating activities              |      | <u>305,469</u>        | <u>61,610</u>        |
| <b>Cash flows from investing activities</b>           |      |                       |                      |
| Interest receivable and similar income                | 5    | 5,353                 | 6                    |
| Purchase of tangible fixed assets                     | 15   | (47,117)              | -                    |
| Acquisition of investments in subsidiary undertakings |      | <u>(100)</u>          | <u>-</u>             |
| Net cash flows from investing activities              |      | (41,864)              | 6                    |
| <b>Cash flows from financing activities</b>           |      |                       |                      |
| Repayment of loans and borrowings                     | 19   | <u>(10,206)</u>       | <u>(10,699)</u>      |
| Net increase in cash and cash equivalents             |      | 253,399               | 50,917               |
| Cash and cash equivalents at 1 April                  |      | <u>82,095</u>         | <u>31,178</u>        |
| Cash and cash equivalents at 31 March                 |      | <u><u>335,494</u></u> | <u><u>82,095</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 17 to 36 form an integral part of these financial statements.

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

## 1 Accounting policies

### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 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)) (issued in October 2019) - (Charities SORP (FRS 102)) and the Charities Act 2011.

### Basis of preparation

Al-Mahdi Institute meets the definition of a public benefit entity under FRS 102. The nature of the Charity's operations and principal activities are the provision of an Institute for Islamic research and resources, undertaking research and publication of any useful restful for the benefit of the public. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements are prepared in sterling, which is the functional currency of the entity.

### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2025.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

### **Going concern**

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

### **Judgements**

In the application of the accounting policies, Trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

### **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.

#### ***Gift aid***

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### ***Other trading activities***

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### ***Investment income***

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### ***Other income***

Rental income is recognised in the period in which the income falls due on an accruals basis.

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

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

### ***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 expenditure***

Grants payable are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure. Where a grant has been made for the benefit of an individual, or a group of individuals, through the means of an institution, this is recorded as a grant to the institution.

### ***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.

### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example staff costs by the time spent and other costs by their usage.

### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements.

### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

### **Taxation**

The charity is considered to be exempt from tax on its charitable activities.

### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

### 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:

| Asset class                  | Depreciation method and rate  |
|------------------------------|-------------------------------|
| Long-term leasehold property | Straight line over 50 years   |
| Equipment and fittings       | Reducing balance over 4 years |

### Impairment of fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

### Fixed asset investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost (which is equivalent to fair value) and subsequently measured at fair value at each balance sheet date. They are comprised of assets held under an agreement, generating a stream of rental income, with specific capital repayments over their economic lives. The fair value of the investments is reduced over time, reflecting the discounted future income streams, net of capital repayments, to which the charity is entitled. Any modifications to the terms of agreement are reflected in impairments in the investment.

Income from fixed assets investments is accounted for as receivable over the term of the financial instrument and shown as rental income in the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the fair value at the year end.

### Trade debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

### 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.

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

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **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.

### **Provisions**

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Statement of Financial Activities in the period in which they arise.

### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **Pensions and other post retirement obligations**

The Group operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

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

### Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Assets held for use in operating leases are included in fixed assets at cost and depreciated over their useful life.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

## 2 Income from donations and legacies

|                         | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-------------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Donations and legacies; |                                       |                          |                    |                    |
| General donations       | 578,949                               | 180,886                  | 759,835            | 475,313            |
| Gift aid reclaimed      | 49,641                                | -                        | 49,641             | 6                  |
|                         | <u>628,590</u>                        | <u>180,886</u>           | <u>809,476</u>     | <u>475,319</u>     |

£436,075 of the prior year income was attributable to unrestricted funds and £39,244 to restricted funds.

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

### 3 Income from charitable activities

|                                     | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-------------------------------------|---------------------------------------|--------------------|--------------------|
| Educational and research activities | 36,241                                | 36,241             | 45,404             |

All of the prior year income was attributable to unrestricted funds.

### 4 Income from other trading activities

|                       | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-----------------------|---------------------------------------|--------------------|--------------------|
| Wedding and room hire | 192,365                               | 192,365            | 189,942            |
|                       | 192,365                               | 192,365            | 189,942            |

£189,097 of the prior year income was attributable to unrestricted funds and £845 to restricted funds.

### 5 Investment income

|                                         | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-----------------------------------------|---------------------------------------|--------------------|--------------------|
| Interest receivable and similar income; |                                       |                    |                    |
| Interest receivable on bank deposits    | 5,353                                 | 5,353              | 6                  |

All of the prior year income was attributable to unrestricted funds.

### 6 Other income

|                                 | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|---------------------------------|---------------------------------------|--------------------|--------------------|
| Rental and accommodation income | 325,713                               | 325,713            | 276,242            |

All of the prior year income was attributable to unrestricted funds.

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

### 7 Expenditure on raising funds

#### a) Costs of trading activities

|                                | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|--------------------------------|---------------------------------------|--------------------|--------------------|
| Wedding and room hire expenses | 55,587                                | 55,587             | 21,718             |
|                                | <u>55,587</u>                         | <u>55,587</u>      | <u>21,718</u>      |

### 8 Expenditure on charitable activities

|                                     | Activity<br>undertaken<br>directly<br>£ | Grant funding<br>of activity<br>£ | Activity<br>support costs<br>£ | 2025<br>£        |
|-------------------------------------|-----------------------------------------|-----------------------------------|--------------------------------|------------------|
| Educational and research activities | 777,836                                 | 52,162                            | 211,067                        | 1,041,065        |
|                                     | <u>777,836</u>                          | <u>52,162</u>                     | <u>211,067</u>                 | <u>1,041,065</u> |
|                                     | Activity<br>undertaken<br>directly<br>£ | Grant funding<br>of activity<br>£ | Activity<br>support costs<br>£ | 2024<br>£        |
| Educational and research activities | 796,842                                 | 2,087                             | 177,451                        | 976,380          |
|                                     | <u>796,842</u>                          | <u>2,087</u>                      | <u>177,451</u>                 | <u>976,380</u>   |

In addition to the expenditure analysed above, there are also governance costs of £42,020 (2024 - £31,484) which relate directly to charitable activities. See note 9 for further details.

£898,287 (2024 - £941,261) of the above expenditure was attributable to unrestricted funds and £142,778 (2024 - £35,119) to restricted funds.

### 9 Analysis of governance and support costs

#### Support costs allocated to raising funds

|                                     | Governance<br>costs<br>£ | Finance costs<br>£ | Staff costs<br>£ | Total<br>2025<br>£ |
|-------------------------------------|--------------------------|--------------------|------------------|--------------------|
| Educational and research activities | 42,020                   | 2,323              | 166,724          | 211,067            |
|                                     | <u>42,020</u>            | <u>2,323</u>       | <u>166,724</u>   | <u>211,067</u>     |
|                                     | Governance<br>costs<br>£ | Finance costs<br>£ | Staff costs<br>£ | Total<br>2024<br>£ |
| Educational and research activities | 31,484                   | 2,508              | 143,459          | 177,451            |
|                                     | <u>31,484</u>            | <u>2,508</u>       | <u>143,459</u>   | <u>177,451</u>     |

£211,067 (2024 - £177,451) of the above expenditure was attributable to unrestricted funds and £Nil (2024 - £Nil) to restricted funds.

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

### Governance costs

|                                   | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-----------------------------------|---------------------------------------|--------------------|--------------------|
| Audit fees                        |                                       |                    |                    |
| Audit of the financial statements | 10,000                                | 10,000             | 7,000              |
| Legal fees                        | 32,020                                | 32,020             | 24,484             |
|                                   | <u>42,020</u>                         | <u>42,020</u>      | <u>31,484</u>      |

All of the prior year governance costs were attributable to unrestricted funds.

### 10 Grant-making

#### Analysis of grants

|                        | Grants to institutions |              | Grants to individuals |            |
|------------------------|------------------------|--------------|-----------------------|------------|
|                        | 2025                   | 2024         | 2025                  | 2024       |
|                        | £                      | £            | £                     | £          |
| <b>Analysis</b>        |                        |              |                       |            |
| Educational activities | <u>50,762</u>          | <u>1,687</u> | <u>1,400</u>          | <u>400</u> |

The support costs associated with grant-making are £13,094 (31 March 2024 - £464 ).

Below are details of material grants made to institutions:

| Name of institution      | 2025<br>£     | 2024<br>£    |
|--------------------------|---------------|--------------|
| Beta Charitable Trust    | 7,880         | 1,537        |
| Clifton Road Food Bank   | -             | 150          |
| Masters Foundation       | 1,332         | -            |
| University of Birmingham | <u>40,000</u> | <u>-</u>     |
|                          | <u>49,212</u> | <u>1,687</u> |

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

### 11 Net incoming/outgoing resources

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

|                              | 2025<br>£  | 2024<br>£  |
|------------------------------|------------|------------|
| Audit fees                   | 10,000     | 7,000      |
| Depreciation of fixed assets | 95,400     | 102,867    |
| Finance charges payable      | 442        | 699        |
|                              | <u>442</u> | <u>699</u> |

### 12 Trustees remuneration and expenses

The Director of the Institute, who is also a trustee, received remuneration of £59,960 (2024 - 60,047) during the year. The remuneration served as a salary for his capacity as a principal during the year. Pension contributions paid by the charity totalled £1,321 (2024 - £1,321). Consent for the remuneration was sought for and granted by the Charity Commission in May 2010. Expenses reimbursed during the year amounted to £2,889 (2024 - £503).

During the year, the Director of the Institute and his various family members have given donations to the charity in the way of Gift Aid. Total donations amounted to £5,872 (2024 - £8,870).

### 13 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2025<br>£      | 2024<br>£      |
|------------------------------------------|----------------|----------------|
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 465,630        | 433,104        |
| Social security costs                    | 46,556         | 36,237         |
| Pension costs                            | 8,330          | 8,647          |
| Other staff costs                        | 12,063         | 6,016          |
|                                          | <u>532,579</u> | <u>484,004</u> |

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

|                        | 2025<br>No | 2024<br>No |
|------------------------|------------|------------|
| Administration         | 6          | 6          |
| Teachers and lecturers | 10         | 10         |
|                        | <u>16</u>  | <u>16</u>  |

Contributions to the employee pension schemes for the year totalled £8,330 (2024 - £8,647).

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

The number of employees whose emoluments fell within the following bands was:

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

|                   | 2025<br>No | 2024<br>No |
|-------------------|------------|------------|
| £60,001 - £70,000 | <u>1</u>   | <u>1</u>   |

The trustees consider that key management personnel comprise of the Director of the Institute, the Managing Director and the trustees. The cost to the charity of remuneration of key management personnel (composing of gross pay, benefits in kind, employer's national insurance and employer's pension) was £120,322 for the year (2024 - £117,823).

### 14 Taxation

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

### 15 Tangible fixed assets

#### Group

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Total<br>£       |
|-----------------------|----------------------------|---------------------------------|------------------|
| <b>Cost</b>           |                            |                                 |                  |
| At 1 April 2024       | 3,509,614                  | 418,987                         | 3,928,601        |
| Additions             | <u>46,415</u>              | <u>702</u>                      | <u>47,117</u>    |
| At 31 March 2025      | <u>3,556,029</u>           | <u>419,689</u>                  | <u>3,975,718</u> |
| <b>Depreciation</b>   |                            |                                 |                  |
| At 1 April 2024       | 775,038                    | 320,963                         | 1,096,001        |
| Charge for the year   | <u>70,192</u>              | <u>25,208</u>                   | <u>95,400</u>    |
| At 31 March 2025      | <u>845,230</u>             | <u>346,171</u>                  | <u>1,191,401</u> |
| <b>Net book value</b> |                            |                                 |                  |
| At 31 March 2025      | <u>2,710,799</u>           | <u>73,518</u>                   | <u>2,784,317</u> |
| At 31 March 2024      | <u>2,734,576</u>           | <u>98,024</u>                   | <u>2,832,600</u> |

Included within the net book value of land and buildings above is £Nil (2024 - £Nil) in respect of freehold land and buildings and £2,710,799 (2024 - £2,734,576) in respect of leaseholds.

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

### Charity

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Total<br>£       |
|-----------------------|----------------------------|---------------------------------|------------------|
| <b>Cost</b>           |                            |                                 |                  |
| At 1 April 2024       | 3,509,614                  | 418,987                         | 3,928,601        |
| Additions             | <u>46,415</u>              | <u>702</u>                      | <u>47,117</u>    |
| At 31 March 2025      | <u>3,556,029</u>           | <u>419,689</u>                  | <u>3,975,718</u> |
| <b>Depreciation</b>   |                            |                                 |                  |
| At 1 April 2024       | 775,038                    | 320,963                         | 1,096,001        |
| Charge for the year   | <u>70,192</u>              | <u>25,208</u>                   | <u>95,400</u>    |
| At 31 March 2025      | <u>845,230</u>             | <u>346,171</u>                  | <u>1,191,401</u> |
| <b>Net book value</b> |                            |                                 |                  |
| At 31 March 2025      | <u>2,710,799</u>           | <u>73,518</u>                   | <u>2,784,317</u> |
| At 31 March 2024      | <u>2,734,576</u>           | <u>98,024</u>                   | <u>2,832,600</u> |

Included within the net book value of land and buildings above is £Nil (2024 - £Nil) in respect of freehold land and buildings and £2,710,799 (2024 - £2,734,576) in respect of leaseholds.

### 16 Fixed asset investments

#### Charity

#### Shares in group undertakings and participating interests

|                       | Subsidiary<br>undertakings<br>£ | Total<br>£ |
|-----------------------|---------------------------------|------------|
| <b>Cost</b>           |                                 |            |
| Additions             | <u>100</u>                      | <u>100</u> |
| At 31 March 2025      | <u>100</u>                      | <u>100</u> |
| <b>Net book value</b> |                                 |            |
| At 31 March 2025      | <u>100</u>                      | <u>100</u> |
| At 31 March 2024      | <u>-</u>                        | <u>-</u>   |

#### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

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

| Undertaking             | Country of incorporation | Holding         | Proportion of voting rights and shares held |      | Principal activity                 |
|-------------------------|--------------------------|-----------------|---------------------------------------------|------|------------------------------------|
|                         |                          |                 | 2025                                        | 2024 |                                    |
| Subsidiary undertakings |                          |                 |                                             |      |                                    |
| AMI Spaces Ltd          | England & Wales          | Ordinary Shares | 100%                                        | 0%   | Providing event venue and services |

The charity has a wholly owned subsidiary, AMI Spaces Ltd, a limited liability company. The subsidiary was incorporated during the year ended 31 March 2025 and has started its operations.

### 17 Debtors

|               | Group          |               | Charity       |               |
|---------------|----------------|---------------|---------------|---------------|
|               | 2025<br>£      | 2024<br>£     | 2025<br>£     | 2024<br>£     |
| Trade debtors | 46,562         | 59,791        | 30,270        | 59,791        |
| Prepayments   | 6,300          | 7,039         | 6,300         | 7,039         |
| Other debtors | 51,716         | 23,944        | 32,353        | 23,944        |
|               | <u>104,578</u> | <u>90,774</u> | <u>68,923</u> | <u>90,774</u> |

Included in other debtors for the charity are amounts owed from group undertaking in the sum of £19,062 (2024 - £Nil).

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

### 18 Cash and cash equivalents

|              | Group   |        | Charity |        |
|--------------|---------|--------|---------|--------|
|              | 2025    | 2024   | 2025    | 2024   |
|              | £       | £      | £       | £      |
| Cash at bank | 420,044 | 82,095 | 335,494 | 82,095 |

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

|                                    | Group          |               | Charity       |               |
|------------------------------------|----------------|---------------|---------------|---------------|
|                                    | 2025           | 2024          | 2025          | 2024          |
|                                    | £              | £             | £             | £             |
| Bank loans                         | 10,645         | 8,685         | 10,645        | 8,685         |
| Trade creditors                    | 4,480          | 20,555        | 2,795         | 20,555        |
| Other loans                        | 3,250          | 3,250         | 3,250         | 3,250         |
| Other taxation and social security | 33,437         | 22,936        | 22,328        | 22,936        |
| Other creditors                    | 41,575         | 19,910        | 41,575        | 19,910        |
| Accruals                           | 20,275         | 15,745        | 18,515        | 15,745        |
|                                    | <u>113,662</u> | <u>91,081</u> | <u>99,108</u> | <u>91,081</u> |

### 20 Creditors: amounts falling due after one year

|            | Group |        | Charity |        |
|------------|-------|--------|---------|--------|
|            | 2025  | 2024   | 2025    | 2024   |
|            | £     | £      | £       | £      |
| Bank loans | 1,588 | 13,754 | 1,588   | 13,754 |

### 21 Pension and other schemes

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £8,330 (2024 - £8,647).

Contributions totalling £7,948 (2024 - £4,898) were payable to the scheme at the end of the year and are included in creditors.

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

### 22 Funds

#### Group

|                                          | Balance at 1<br>April 2024<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 31<br>March 2025<br>£ |
|------------------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
| <b>Unrestricted funds</b>                |                                 |                            |                            |                                  |
| General                                  | 2,875,504                       | 1,188,262                  | (953,874)                  | 3,109,892                        |
| <b>Total unrestricted funds</b>          | <u>2,875,504</u>                | <u>1,188,262</u>           | <u>(953,874)</u>           | <u>3,109,892</u>                 |
| <b>Restricted Funds</b>                  |                                 |                            |                            |                                  |
| Scholarship fund                         | -                               | 49,105                     | (47,085)                   | 2,020                            |
| Community fund                           | -                               | 10,992                     | (10,992)                   | -                                |
| Religious fund                           | 23,283                          | 41,477                     | (6,191)                    | 58,569                           |
| Department of mysticism and spirituality | -                               | 6,750                      | (6,000)                    | 750                              |
| Outreach fund                            | 1,847                           | -                          | -                          | 1,847                            |
| Time for change                          | -                               | 1,602                      | (1,550)                    | 52                               |
| Wages fund                               | -                               | 70,960                     | (70,960)                   | -                                |
| <b>Total Restricted funds</b>            | <u>25,130</u>                   | <u>180,886</u>             | <u>(142,778)</u>           | <u>63,238</u>                    |
| <b>Total funds</b>                       | <u>2,900,634</u>                | <u>1,369,148</u>           | <u>(1,096,652)</u>         | <u>3,173,130</u>                 |
|                                          | Balance at 1<br>April 2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 31<br>March 2024<br>£ |
| <b>Unrestricted funds</b>                |                                 |                            |                            |                                  |
| General                                  | 2,891,659                       | 946,824                    | (962,979)                  | 2,875,504                        |
| <b>Total unrestricted funds</b>          | <u>2,891,659</u>                | <u>946,824</u>             | <u>(962,979)</u>           | <u>2,875,504</u>                 |
| <b>Restricted Funds</b>                  |                                 |                            |                            |                                  |
| Scholarship fund                         | -                               | 9,000                      | (9,000)                    | -                                |
| Community fund                           | -                               | 1,550                      | (1,550)                    | -                                |
| Religious fund                           | 14,903                          | 10,090                     | (1,711)                    | 23,282                           |
| Department of mysticism and spirituality | -                               | 16,657                     | (16,657)                   | -                                |
| Outreach fund                            | 1,992                           | 100                        | (244)                      | 1,848                            |
| Time for change                          | 3,265                           | 2,692                      | (5,957)                    | -                                |
| <b>Total Restricted funds</b>            | <u>20,160</u>                   | <u>40,089</u>              | <u>(35,119)</u>            | <u>25,130</u>                    |
| <b>Total funds</b>                       | <u>2,911,819</u>                | <u>986,913</u>             | <u>(998,098)</u>           | <u>2,900,634</u>                 |

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

### Charity

|                                          | Balance at 1<br>April 2024<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 31<br>March 2025<br>£ |
|------------------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
| <b>Unrestricted funds</b>                |                                 |                            |                            |                                  |
| General                                  | 2,875,504                       | 1,069,729                  | (920,333)                  | 3,024,900                        |
| <b>Total unrestricted funds</b>          | <u>2,875,504</u>                | <u>1,069,729</u>           | <u>(920,333)</u>           | <u>3,024,900</u>                 |
| <b>Restricted Funds</b>                  |                                 |                            |                            |                                  |
| Scholarship fund                         | -                               | 49,105                     | (47,085)                   | 2,020                            |
| Community fund                           | -                               | 10,992                     | (10,992)                   | -                                |
| Religious fund                           | 23,283                          | 41,477                     | (6,191)                    | 58,569                           |
| Department of mysticism and spirituality | -                               | 6,750                      | (6,000)                    | 750                              |
| Outreach fund                            | 1,847                           | -                          | -                          | 1,847                            |
| Time for change                          | -                               | 1,602                      | (1,550)                    | 52                               |
| Wages fund                               | -                               | 70,960                     | (70,960)                   | -                                |
| <b>Total Restricted funds</b>            | <u>25,130</u>                   | <u>180,886</u>             | <u>(142,778)</u>           | <u>63,238</u>                    |
| <b>Total funds</b>                       | <u>2,900,634</u>                | <u>1,250,615</u>           | <u>(1,063,111)</u>         | <u>3,088,138</u>                 |
|                                          | Balance at 1<br>April 2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 31<br>March 2024<br>£ |
| <b>Unrestricted funds</b>                |                                 |                            |                            |                                  |
| General                                  | 2,891,659                       | 946,824                    | (962,979)                  | 2,875,504                        |
| <b>Total unrestricted funds</b>          | <u>2,891,659</u>                | <u>946,824</u>             | <u>(962,979)</u>           | <u>2,875,504</u>                 |
| <b>Restricted Funds</b>                  |                                 |                            |                            |                                  |
| Scholarship fund                         | -                               | 9,000                      | (9,000)                    | -                                |
| Community fund                           | -                               | 1,550                      | (1,550)                    | -                                |
| Religious fund                           | 14,903                          | 10,090                     | (1,711)                    | 23,282                           |
| Department of mysticism and spirituality | -                               | 16,657                     | (16,657)                   | -                                |
| Outreach fund                            | 1,992                           | 100                        | (244)                      | 1,848                            |
| Time for change                          | 3,265                           | 2,692                      | (5,957)                    | -                                |
| <b>Total Restricted funds</b>            | <u>20,160</u>                   | <u>40,089</u>              | <u>(35,119)</u>            | <u>25,130</u>                    |
| <b>Total funds</b>                       | <u>2,911,819</u>                | <u>986,913</u>             | <u>(998,098)</u>           | <u>2,900,634</u>                 |

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

The specific purposes for which the funds are to be applied are as follows:

Building fund - for the full development of the Selly Oak campus and student accommodation and meeting its deferred payment obligations

Scholarship fund - for the funding of students on specific programmes

Community fund - for community activities and programs

Religious fund - giving of alms in accordance with religious guidelines

Department of mysticism and spirituality - reserved for funding activities on mysticism and spirituality

Hawza fees - for the purpose of specific educational courses

Outreach fund - to encourage to donate to those who were less fortunate and globally to support funding for deserving projects in line with the charity's ethos and philosophy

Time for change - to hold events to celebrate the birth anniversaries of the holy personalities born in the Islamic months of Rajab and Shaban

Wages Fund - to support wages of staff

During the current and previous year there were no transfers between the funds.

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

### 23 Analysis of net assets between funds

#### Group

|                       | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total funds at<br/>31 March<br/>2025<br/>£</b> |
|-----------------------|-------------------------------------------------|-----------------------------------|---------------------------------------------------|
| Tangible fixed assets | 2,784,317                                       | -                                 | 2,784,317                                         |
| Current assets        | 440,825                                         | 63,238                            | 504,063                                           |
| Current liabilities   | (113,662)                                       | -                                 | (113,662)                                         |
| Creditors over 1 year | (1,588)                                         | -                                 | (1,588)                                           |
| Total net assets      | <u>3,109,892</u>                                | <u>63,238</u>                     | <u>3,173,130</u>                                  |
|                       | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total funds at<br/>31 March<br/>2024<br/>£</b> |
| Tangible fixed assets | 2,832,600                                       | -                                 | 2,832,600                                         |
| Current assets        | 1,447,739                                       | 25,130                            | 1,472,869                                         |
| Current liabilities   | (91,081)                                        | -                                 | (91,081)                                          |
| Creditors over 1 year | (13,754)                                        | -                                 | (13,754)                                          |
| Total net assets      | <u>4,175,504</u>                                | <u>25,130</u>                     | <u>4,200,634</u>                                  |

#### Charity

|                         | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total funds at<br/>31 March<br/>2025<br/>£</b> |
|-------------------------|-------------------------------------------------|-----------------------------------|---------------------------------------------------|
| Tangible fixed assets   | 2,784,317                                       | -                                 | 2,784,317                                         |
| Fixed asset investments | 100                                             | -                                 | 100                                               |
| Current assets          | 341,179                                         | 63,238                            | 404,417                                           |
| Current liabilities     | (99,108)                                        | -                                 | (99,108)                                          |
| Creditors over 1 year   | (1,588)                                         | -                                 | (1,588)                                           |
| Total net assets        | <u>3,024,900</u>                                | <u>63,238</u>                     | <u>3,088,138</u>                                  |
|                         | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total funds at<br/>31 March<br/>2024<br/>£</b> |
| Tangible fixed assets   | 2,832,600                                       | -                                 | 2,832,600                                         |
| Current assets          | 147,739                                         | 25,130                            | 172,869                                           |
| Current liabilities     | (91,081)                                        | -                                 | (91,081)                                          |
| Creditors over 1 year   | (13,754)                                        | -                                 | (13,754)                                          |
| Total net assets        | <u>2,875,504</u>                                | <u>25,130</u>                     | <u>2,900,634</u>                                  |

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

### 24 Analysis of net funds

#### Group

|                          | At 1 April<br>2024<br>£ | Cash flows<br>£ | At 31 March<br>2025<br>£ |
|--------------------------|-------------------------|-----------------|--------------------------|
| Cash at bank and in hand | 82,095                  | 337,949         | 420,044                  |
| Net cash                 | 82,095                  | 337,949         | 420,044                  |
|                          | At 1 April<br>2023<br>£ | Cash flows<br>£ | At 31 March<br>2024<br>£ |
| Cash at bank and in hand | 31,178                  | 50,917          | 82,095                   |
| Net cash                 | 31,178                  | 50,917          | 82,095                   |

#### Charity

|                          | At 1 April<br>2024<br>£ | Cash flows<br>£ | At 31 March<br>2025<br>£ |
|--------------------------|-------------------------|-----------------|--------------------------|
| Cash at bank and in hand | 82,095                  | 253,399         | 335,494                  |
| Net cash                 | 82,095                  | 253,399         | 335,494                  |
|                          | At 1 April<br>2023<br>£ | Cash flows<br>£ | At 31 March<br>2024<br>£ |
| Cash at bank and in hand | 31,178                  | 50,917          | 82,095                   |
| Net cash                 | 31,178                  | 50,917          | 82,095                   |

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

### 25 Related party transactions

Transactions with trustees relating to remuneration and expenses have been highlighted in note 12. In addition, during the year the charity made the following related party transactions:

#### Director of the Institute

(Trustee)

During the year, the Director of the Institute and his various family members have given donations to the charity in the way of Gift Aid. Total donations amounted to £5,872 (2024 - £8,870).

Also during the year the Director was in receipt of an interest free loan used to acquire a vehicle. The loan is repayable by January 2026. At the balance sheet date the amount due from Director of the Institute was £13,391 (2024 - £16,279).

#### Managing Director

(Trustee during part of the previous year. Nephew of a trustee)

The Managing Director received remuneration as employee of the charity totalling £45,914 (2024 - £43,690) during the year. At the balance sheet date the amount due to/from Managing Director was £Nil (2024 - £Nil).

#### Ms M Hussain

(Daughter of a trustee)

Ms M Hussain works as a faculty member at the Institute teaching theology, legal theory, and jurisprudence to first and second year students and manages the Institute's research activities. She received remuneration of £15,119 (2024 - £16,917) as a salary for her role during the year. At the balance sheet date the amount due to/from Ms M Hussain was £Nil (2024 - £Nil).

#### Donations from related entities

During the year the charity received donations of £18,893 (2024 - £19,568) from an overseas charity where one of the trustees is a director. In addition the charity also received donations amounting to £140,905 (2024 - £60,000) from a company where one of the trustees is also a director. At the balance sheet date the amount due to/from related entities was £Nil (2024 - £Nil).