

Company registration number: 00961846

Charity registration number: 259545

The Birmingham Mosque Trust Limited

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

The Birmingham Mosque Trust Limited

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The Birmingham Mosque Trust Limited

Reference and Administrative Details

Trustees	Mr Muhammad Afzal (appointed 2 October 2021) Mr Sajawal Khan Mr Abdul Rehman Mahmood Mr Mahmood Ahmed Mr Abdul Razzaq (appointed 2 October 2021) Mr Abdul Rakeeb Yahia Mr Zafar Alam Chaudhary (resigned 2 October 2021) Mr Niaz Ahmad Mr Allah Ditta Mr Mohammed Najib (appointed 2 October 2021) Mr Muhammad Sarfraz Madni Mr Javed Iqbal Aziz Mr Nassar Mahmood (resigned 2 October 2021) Mr Tahir Mahmood Alam Dr Muhammad Hanif Dr Khurram Bashir Mr Mohammad Hasham Mr Tariq Hussain Mr Muhammad Mohiuddin Qamar Mr Maqbool Ahmed Mr Abdul Mannan Bhatti Mr Munir Ahmed Raza Mr Mohammed Najib Budhal Mr Ali Yousif Mohamed (resigned 2 October 2021)
Principal Office	180 Belgrave Middleway Highgate Birmingham West Midlands B12 0XS
Company Registration Number	00961846
Charity Registration Number	259545

The Birmingham Mosque Trust Limited

Reference and Administrative Details

Bankers

Al Rayan Bank
24a Calthorpe Road
Edgbaston
Birmingham
West Midlands
B15 1RP

United Bank UK
391-393 Stratford Road
Sparkhill
Birmingham
West Midlands
B11 4JZ

Independent Examiner

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

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021.

The Birmingham Mosque Trust Limited

The Birmingham Mosque Trust Limited (BMTL), manages the Birmingham Central Mosque, which is located in the heart of England's second biggest city Birmingham. Birmingham Central Mosque is the second purpose built Mosque in the UK. In early 1970 it opened its doors for the Birmingham community as a place of worship. Birmingham Central Mosque is nationally known for reference and advocacy of Muslims and Islamic issues. Since the mosque was built, it has become a focal point for the Birmingham Muslim community. Over the years, Muslims and Non-Muslims have used the mosque's premises for events such as meetings, lectures, studies, community and educational purposes.

Objectives and activities

Objects and aims

- to advance the religion of Islam for the benefit of the public by, but not limited to, the holding of prayer meetings, lectures, public celebration of religious festivals, weddings, exhibitions and funeral services
- the provision and maintenance of places of public religious worship by persons professing the religion of Islam
- the provision and maintenance of religious, educational, social and cultural centres and other places of study
- the provision and maintenance of cemeteries and burial places for the burial, in accordance with Islamic rites, of persons professing the religion of Islam
- producing and/or distributing literature on Islamic belief and practice to help enlighten others about the religion of Islam; the advancement of religious education in accordance with the teachings of Islam
- the promotion of religious harmony for the benefit of the public
- the relief of poverty and those in need in accordance with the teachings of Islam in such ways as may be thought fit

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.

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

Achievements and performance

Family support service & counselling clinic

This department deals with family problems and marital issues. It endeavours to resolve problematic issues as best as it can through mediation and counselling.

Shariah Council

The Shariah Council is the focal point for advice and assistance for Muslims seeking religious and theological perspective on social, domestic and general issues.

Due to the Covid-19 lockdown restrictions, a face-to-face and in person meetings could not take place between the panel of scholars and affected individuals resulting in a backlog of cases awaiting hearing.

New Muslim support network

BMTL facilitates a social support network for new Muslims. The service is being developed to cater for the needs of new Muslims.

The national lockdown due to the Covid-19 pandemic and related restrictions led to a hugely reduced support offered to the new Muslims.

Interfaith forums

BMTL participates and interacts actively with other faith networks to promote harmony, safety and community cohesion.

The Birmingham Central Mosque continued to engage actively in the forum during the Covid-19 lockdown via zoom meetings.

Marriage Bureau and registration

BMTL provides an introduction service for Muslims of all ages and ethnic backgrounds (British Citizens or indefinite stay holders only). Clients find their ideal spouse via the mosque's Marriage Bureau. Volunteers using a database of registered prospective partners and initiate meetings. The mosque also provides marriage registration services cementing partnerships according to Islamic and civil matrimony. The mosque is linked with the Registrar of marriages for conducting legally recognized civil Muslim marriages and issues certificates on behalf of the Registrar.

Like the majority of activities of the Birmingham Central Mosque, the Marriage Bureau and marriage registration services stopped during the Covid-19 lockdown period.

Funeral Services

Central Funeral Services are specialists in Islamic funeral arrangements. The majority of provisions that are required by the community are catered for.

The funeral services remained open during the Covid-19 lockdown playing a very important and crucial role in supporting families who went through bereavement during very challenging times.

Birmingham Community Education & Training Services (BCETS)

BMTL runs a supplementary school under the umbrella of Birmingham Community Education and Training Services (BCETS). Our School is staffed with teachers experienced in working with young children. The supplementary school currently teaches Arabic, Islamic Studies, and Hifz e Qur'an. Staff backgrounds vary to maintain diversity for pupils who must overlook differences to understand the peaceful message of Islam and learn different languages and values.

As per government and public health guidance, all sections of the supplementary school were closed during the Covid-19 lockdown and restrictions.

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

Education for children with hearing and speech impairment

BMTL offer special educational classes for children having hearing and speech impairment, with an Islamic perspective, in partnership with Al-Munir Foundation.

As per government and public health guidance, the above classes also remained closed during the Covid-19 lockdown and restrictions.

Fundraising for disasters and emergencies

BMTL partners with major UK registered charities to elevate the suffering of people affected by natural disasters all around the world.

Food bank and outreach services

BMTL has a food bank outside its premises, and operates a "soup kitchen" during the coldest days of the year in the heart of Birmingham City Centre reaching the most needy.

As part of the outreach project, iftaar packages were provided throughout the month of Ramadan. Hamper baskets were also distributed on Eid-ul-Fitr.

Facilities

- Main (prayer hall)
- Classrooms
- Library
- Mortuary (morgue)
- Community halls (banqueting)
- Ladies' gallery
- Lift for disabled access

Covid-19 Related Activities:

Due to the ongoing challenges of Covid-19 compliance restrictions and as a priority to keep all users of BCM safe, BCM has continued to engage with all its users and stakeholders in creating awareness and has worked closely with the health authorities in encouraging its congregation to take all medical precautions for themselves, their families and the community's safety.

Special activities by BCM staff have involved working very closely with hospitals, in particular, providing emotional and moral support to the NHS staff in local hospitals at the peak of the pandemic, providing much needed PPE which was otherwise in short supply and food baskets as a gesture of appreciation. BCM continues to provide, on an ongoing basis, support to families whose beloved ones are in hospital, some of whom are at end of life stages due to Covid and in general.

Capital Project update:

The Birmingham Mosque Trust embarked on a large and extensive construction project which involved the complete demolition of the front section of the existing mosque and erection of a purpose built and independent annexe building (with its own facilities) abutting the existing mosque.

The new development will provide facilities for training, education, community interaction and ablution facilities for ladies and gentlemen.

Planning permission and building regulations approvals were granted in 2019 and 2020 respectively and the construction work will be completed in 5 or 6 phases as follows:

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

Phase 1 - Enabling Work (Contract £31,570 + VAT) - ALL paid No Retention

Phase 2 - Demolition (Contract £111,465) - ALL paid No Retention

Phase 3 - Piling, Foundation, Drainage, Floors, Stairs & Skeleton Frame.
This Phase is further split into 3 sub-phases A, B & C

Phase 3A - Piling (Contract £41,000) - ALL paid No Retention

Phase 3B - Foundation & Drainage (£83,759) - ALL paid No Retention
(Contract £171,773; omitted work £88,014)

Phase 3C - Attenuation Drainage, Floors, Stairs & Frame (Contract £376,255 plus additional work of £28,324)
At 31-03-2021, £332,160.19 was paid and the retention held is £17,482.

Phase 4 - External, Internal, Roof & External Doors/Windows (£1,571.739)

Phase 5 - Mechanical, Electrical, Finishes & External Work

Phase 6 - Improvement to the Existing Mosque

To date, Phases 1, 2, 3A & 3B are complete and paid in full.

Work on Phase 3C is almost complete and Phase-4 work is on-going and it is scheduled to be completed by January 2021/February 2022.

Work on Phase-5 is scheduled to commence before December 2021.

Financial review

During the year the trust received total income of £987k (2020: £624k). This includes investment income of £14,144 (2020:£18,234).The total expenses during the year were £377k (2020; £482k).

The year-end reserves stood at £4.63m (2020: £4.02m) of which £2.68m (2020: £2.58m) is unrestricted and £1.95m (2020:£1.45m) is restricted.

Deferred income

Towards the end of March 2021, donations were specifically raised for phase 4 of the construction. Phase 4 represented external, internal roof & external doors / windows. At year end due to extensive supply chain issues, a material uncertainty existed if this work could be delivered by the contractor as planned in the next period. The trustees decided to defer £114,680 of donations relating to phase 4, to the next period when it became probable that the planned work by the contractor can be delivered and matched to the related donations.

Policy on reserves

After reviewing the immediate and medium term requirements of The Birmingham Mosque Trust Limited (BMTL), the present level of funding is adequate to support the continuation of the current activities.

Plans for future periods

The charity will continue its construction project and if there are no supply chain issues, the project is expected to complete in 2022.

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

Going concern

Covid-19 Impact

During the Govt lockdown, BCM remained closed until July 2020 when new rules allowed worship with strict social distancing measures. The lockdown had a profound impact on the charity's finances as it was not able to raise funds through its regular weekly Friday collections, events and through the various religious services (i.e. marriage and counselling). The Mosque switched to online fundraising during Ramadan - this did not compensate the lost income opportunities.

During the lockdown, the charity was able to claim the furlough grant for all staff on leave due to the lockdown - this contributed to the 80% of the salary costs. Salaries are around 35% of the total running costs of the Mosque. The Mosque was also able to save some variable costs (i.e. education, hospitality and event related) as well.

In July 2020, the Mosque had opened in a limited capacity and Friday collections had started, albeit at 50% levels before lockdown. The Mosque was holding small, targeted fundraising meetings to raise funds for the building.

Other services (i.e. marriage and counselling) had also started to generate income.

In September 2020, the Mosque was operating at full capacity.

The Trustees feel confident that the charity remains a going concern for the following reasons;

- It will be able to generate income to contribute to its core running costs
- It will downsize its services (i.e. education) and the associated costs
- It has sufficient reserves to cover its core costs

Structure, governance and management

Induction and training of trustees

New Trustees undergo a briefing on their legal commitments under charity law, the content of the Memorandum and Articles of Association, the Management Committee and decision making processes, the business plan and recent financial performance of the charity. New Trustees also meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational structure

The Trust was incorporated as a limited company on 11 September 1969. It is governed by a Memorandum and Articles of Association and is registered at the Companies House under number 00961846.

The Trustees (i.e. Management Council) are elected by the members of the trust at the Annual General Meeting. They are responsible for the day to day running of the BMTL.

The overall management and control of the charity is the responsibility of the Trustees who give their time freely and receive no remuneration or other benefits for carrying out their role.

The Trustees meet on a monthly basis to make operational decisions relating to the administration and management of the mosque and community centre.

Day to day responsibilities of the BMTL has been delegated to the Mosque Manager.

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

Financial instruments

Objectives and policies

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

Credit risk

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

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

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

Liquidity risk

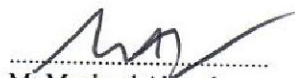
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

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

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.

The annual report was approved by the trustees of the charity on 2/10/2021 and signed on its behalf by:


.....
Mr Maqbool Ahmed
Trustee

The Birmingham Mosque Trust Limited

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Birmingham Mosque Trust Limited for the purposes of company law) 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.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Birmingham Mosque Trust Limited

Independent Examiner's Report to the trustees of The Birmingham Mosque Trust Limited

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 11 to 25.

Respective responsibilities of trustees and examiner

As the charity's trustees of The Birmingham Mosque Trust Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of The Birmingham Mosque Trust Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since The Birmingham Mosque Trust Limited's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

1. accounting records were not kept in respect of The Birmingham Mosque Trust Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

.....
Nasir Rafiq
ICAEW

Dua Governance
123-131 Bradford Street
Bradford Court
Birmingham
B12 0NS

Date: 02.10.2021

The Birmingham Mosque Trust Limited

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	324,765	515,428	840,193
Investment income	4	14,144	-	14,144
Other income	5	132,800	-	132,800
Total income		<u>471,709</u>	<u>515,428</u>	<u>987,137</u>
Expenditure on:				
Charitable activities	6	(362,999)	(13,605)	(376,604)
Total expenditure		<u>(362,999)</u>	<u>(13,605)</u>	<u>(376,604)</u>
Net income		<u>108,710</u>	<u>501,823</u>	<u>610,533</u>
Net movement in funds		108,710	501,823	610,533
Reconciliation of funds				
Total funds brought forward		<u>2,575,262</u>	<u>1,445,271</u>	<u>4,020,533</u>
Total funds carried forward	19	<u>2,683,972</u>	<u>1,947,094</u>	<u>4,631,066</u>

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	387,244	42,841	430,085
Investment income	4	18,234	-	18,234
Other income	5	175,741	-	175,741
Total income		<u>581,219</u>	<u>42,841</u>	<u>624,060</u>
Expenditure on:				
Charitable activities	6	(431,410)	(50,382)	(481,792)
Total expenditure		<u>(431,410)</u>	<u>(50,382)</u>	<u>(481,792)</u>
Net income/(expenditure)		<u>149,809</u>	<u>(7,541)</u>	<u>142,268</u>
Net movement in funds		149,809	(7,541)	142,268
Reconciliation of funds				
Total funds brought forward		<u>2,425,453</u>	<u>1,452,812</u>	<u>3,878,265</u>
Total funds carried forward	19	<u>2,575,262</u>	<u>1,445,271</u>	<u>4,020,533</u>

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

The Birmingham Mosque Trust Limited

(Registration number: 00961846)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	2,785,380	2,170,782
Current assets			
Cash at bank and in hand	15	2,019,436	1,992,605
Creditors: Amounts falling due within one year	16	<u>(173,750)</u>	<u>(27,626)</u>
Net current assets		<u>1,845,686</u>	<u>1,964,979</u>
Total assets less current liabilities		4,631,066	4,135,761
Provisions	17	<u>-</u>	<u>(115,228)</u>
Net assets		<u>4,631,066</u>	<u>4,020,533</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		1,947,094	1,445,271
Unrestricted income funds			
Unrestricted funds		<u>2,683,972</u>	<u>2,575,262</u>
Total funds	19	<u>4,631,066</u>	<u>4,020,533</u>


For the financial year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 25 were approved by the trustees, and authorised for issue on 21/10/2021 and signed on their behalf by:


.....
Mr Maqbool Ahmed
Trustee

The Birmingham Mosque Trust Limited

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

1 Charity status

The charity is limited by share capital, incorporated in .

2 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Birmingham Mosque Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

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

Income and endowments

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.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

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

The Birmingham Mosque Trust Limited

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

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

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

Charitable activities

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

Grant provisions

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

Governance costs

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

Government grants

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

Taxation

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

Tangible fixed assets

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

The Birmingham Mosque Trust Limited

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

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
Land and buildings	50 years straight line
Fixtures and fittings	20% reducing balance

Cash and cash equivalents

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

Borrowings

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

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

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

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The Birmingham Mosque Trust Limited

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

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.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

The Birmingham Mosque Trust Limited

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

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Birmingham Mosque Trust Limited

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

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

The Birmingham Mosque Trust Limited

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

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	2021 £	2020 £
Building - Extension Project	495,831	-
Gift Aid	122,396	-
General collections	102,591	281,864
HMRC Grants	76,389	-
Zakat	19,597	42,841
Events	12,521	56,906
Education	10,868	48,474
	<u>840,193</u>	<u>430,085</u>

4 Investment income

	Unrestricted funds	Total 2021 £	Total 2020 £
	General £		
Other investment income	<u>14,144</u>	<u>14,144</u>	<u>18,234</u>

5 Other income

	2021 £	2020 £
Funeral services	59,141	46,296
Family Counselling service	57,560	48,368
Marriage services	15,899	48,857
Wedding hall rent	200	32,220
	<u>132,800</u>	<u>175,741</u>

The Birmingham Mosque Trust Limited

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

6 Expenditure on charitable activities

	2021	2020
	£	£
Wages and salaries	107,185	107,127
Depreciation of tangible fixed assets	80,446	71,150
Education	46,970	58,316
Light and Heat	27,765	18,247
Consultancy	26,107	34,933
Repairs and maintenance	11,645	30,760
Rates and insurance	11,160	13,988
Printing, postage & stationery	7,985	13,765
Telephone, internet and fax	6,670	5,275
Religious activities and speakers costs	5,737	16,481
Security expenses	5,615	10,968
Sundry	5,242	5,961
Hospitality, Foodbank and catering for events	4,480	18,303
Pensions	2,558	1,638
Marketing	1,700	2,913
	<u>351,265</u>	<u>409,825</u>

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	4,200	4,200	3,500
Legal and professional fees	7,531	7,531	18,085
	<u>11,731</u>	<u>11,731</u>	<u>21,585</u>

The Birmingham Mosque Trust Limited

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

8 Grant-making

Below are details of material grants made to institutions

Name of institution	2021	2020
	£	£
COVID 19 Support	3,370	-
Mercy International	3,100	4,626
Islamic Relief	3,047	12,000
Pak Friends Ltd	1,300	-
Other charities below £1,000	1,241	9,656
Food Bank	1,193	-
Saba Relief	353	6,500
Interpal	-	4,000
Edhi Foundation	-	3,500
Al Khair Foundation	-	2,000
Ummah Welfare Trust	-	2,000
Hand in Hand for Syria	-	2,000
Eminence Travel	-	1,100
Central Funeral Services	-	1,000
Al-Shifa Trust	-	1,000
Imran Khan Cancer Appeal	-	1,000
	<u>13,605</u>	<u>50,382</u>

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021	2020
	£	£
Depreciation of fixed assets	<u>80,446</u>	<u>71,150</u>

10 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

The Birmingham Mosque Trust Limited

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

11 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	133,542	133,700
Social security costs	10,680	8,273
Pension costs	2,558	1,638
	<u>146,780</u>	<u>143,611</u>

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

	2021	2020
	No	No
Staff	<u>19</u>	<u>19</u>

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

12 Independent examiner's remuneration

	2021	2020
	£	£
Examination of the financial statements	<u>4,200</u>	<u>3,500</u>

The Birmingham Mosque Trust Limited

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

13 Taxation

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

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2020			
Additions	2,493,609	421,851	2,915,460
	695,043	-	695,043
At 31 March 2021	<u>3,188,652</u>	<u>421,851</u>	<u>3,610,503</u>
Depreciation			
At 1 April 2020			
Charge for the year	407,939	336,739	744,678
	63,423	17,022	80,445
At 31 March 2021	<u>471,362</u>	<u>353,761</u>	<u>825,123</u>
Net book value			
At 31 March 2021	<u>2,717,290</u>	<u>68,090</u>	<u>2,785,380</u>
At 31 March 2020	<u>2,085,670</u>	<u>85,112</u>	<u>2,170,782</u>

15 Cash and cash equivalents

	2021 £	2020 £
Cash on hand		
Cash at bank	425	699
Short-term deposits	719,011	791,906
	<u>1,300,000</u>	<u>1,200,000</u>
	<u>2,019,436</u>	<u>1,992,605</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors		
Accruals	17,485	-
Deferred income	41,585	27,626
	<u>114,680</u>	<u>-</u>
	<u>173,750</u>	<u>27,626</u>

The Birmingham Mosque Trust Limited

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

17 Provisions

	Other provision 1 £	Total £
At 1 April 2020		
Utilised during the period	(115,228)	(115,228)
At 31 March 2021	<u>115,228</u>	<u>115,228</u>
	<u>-</u>	<u>-</u>

The provision relates to over claimed Gift Aid income relating to past years. The Charity has now settled this amount with HMRC.

18 Share capital

19 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General	2,575,262	471,709	(362,999)	2,683,972
Restricted funds	<u>1,445,271</u>	<u>515,428</u>	<u>(13,605)</u>	<u>1,947,094</u>
Total funds	<u>4,020,533</u>	<u>987,137</u>	<u>(376,604)</u>	<u>4,631,066</u>

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Unrestricted funds				
General	2,425,453	581,219	(431,410)	2,575,262
Restricted funds	<u>1,452,812</u>	<u>42,841</u>	<u>(50,382)</u>	<u>1,445,271</u>
Total funds	<u>3,878,265</u>	<u>624,060</u>	<u>(481,792)</u>	<u>4,020,533</u>

The Birmingham Mosque Trust Limited

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

20 Analysis of net assets between funds

	Unrestricted General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	838,286	1,947,094	2,785,380
Current assets	2,019,436	-	2,019,436
Current liabilities	(173,750)	-	(173,750)
Total net assets	2,683,972	1,947,094	4,631,066

	Unrestricted General £	Restricted funds £	Total funds at 31 March 2020 £
Tangible fixed assets	725,511	1,445,271	2,170,782
Current assets	1,992,605	-	1,992,605
Current liabilities	(27,626)	-	(27,626)
Provisions	(115,228)	-	(115,228)
Total net assets	2,575,262	1,445,271	4,020,533

21 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,992,605	26,831	2,019,436
Net debt	1,992,605	26,831	2,019,436