

Company registration number: 00961846

Charity registration number: 259545

# The Birmingham Mosque Trust Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

# **The Birmingham Mosque Trust Limited**

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## **The Birmingham Mosque Trust Limited**

### **Reference and Administrative Details**

#### **Trustees**

Abdul Rakeeb Yahia  
Abdul Razaq  
Abdul Rehman Mahmood  
Ahmad Makhdoom Chishti (Appointed 01/10/22)  
Dr Khurram Bashir (Resigned 01/10/22)  
Dr Mahmoud Akhtar (Appointed 01/10/22)  
Dr Mohammed Hanif  
Javed Iqbal Aziz  
Mahmood Ahmed  
Maqbool Ahmed  
Mohammed Akram (Appointed 01/10/22)  
Mohammed Hasham  
Mohammed Najib  
Mohammed Najib  
Mr Abdul Mannan Bhatti (Resigned 01/10/22)  
Mr Allah Ditta (Resigned 01/10/22)  
Mr Muhammad Sarfraz Madni (Resigned 01/10/22)  
Muhammad Afzal (Chair)  
Muhammad Mohiuddin Qamar  
Munir Ahmed Raza  
Nassar Mahmood (Appointed 01/10/22)  
Niaz Ahmed  
Sajawal Khan  
Tahir Mahmood Alam  
Tariq Hussain

#### **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 Auditor**

Naeem Shareef  
Shareef & Co  
Chartered Accountants  
18-22 Stoney Lane  
Yardley, Birmingham  
B25 8YP

# **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 2022.

### **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.

Face-to-face and in person meetings which were suspended during the Covid-19 lockdown restrictions have now resumed between the panel of scholars and affected individuals. The number of scholars volunteering for the face-to-face and in person meetings and the frequency of the monthly meetings have been significantly increased to manage cases outstanding due to the Covid-19 lockdown backlog and any new cases registered.

#### 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.

Post lifting of the Covid-19 lockdown restrictions, on-site support services meetings has restarted at the mosque twice a week. The support function over Zoom developed during the Covid-19 lockdown is maintained for ease of remote access.

#### Interfaith forums

BMTL participates and interacts actively with other faith networks and the wider community to promote harmony, safety and community cohesion. In recognition of these works, the imam of the Birmingham Central Mosque – Shaykh Muhammad Asad was awarded OBE as part of the Platinum Jubilee by Her Majesty the Queen.

The Birmingham Central Mosque has continued to engage actively in the community and beyond. BMTL hosted grand iftaar during Ramadan 2022, high profile visits from Jaguar Land Rover (a major employer in the city), the West Midlands Police Inclusion & Diversity lead team and the World Ministerial Summit on Freedom of Religion or Belief.

#### Marriage Bureau and registration

BMTL provides an introduction service for Muslim men and women of any heritage (British Citizens or Indefinite Leave to Stay holders only). Clients find their ideal spouse via the Marriage Bureau services at the mosque. Volunteers use a database of registered prospective men and women for introductions and to 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 recognised civil Muslim marriages and issues certificates on behalf of the Registrar.

The Marriage Bureau and marriage registration services at the mosque have now fully resumed following the lifting of Covid-19 lockdown restrictions.

#### Funeral Services

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

#### 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 Qur'an, Arabic as spoken language, Islamic Studies, and Hifz e Qur'an. Staff backgrounds vary to maintain diversity for pupils who must overlook differences to understand the peaceful

# **The Birmingham Mosque Trust Limited**

## **Trustees and Directors' Report**

message of Islam and learn different languages and values.

### 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.

### Fundraising for disasters and emergencies

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

### Food bank and outreach services

BMTL has a food bank located outside on its premises. The food bank has seen a significant rise in its users during the last year and continues to support the vulnerable and the most needy 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 2022.

### **Facilities**

- Main prayer hall
- Classrooms
- Library
- Mortuary
- Community hall
- Ladies' prayer gallery
- Lift for disabled access
- Visitors' gallery

### **Covid-19 Related Activities:**

Due to the ongoing challenges of Covid-19 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 encouraging its congregation to take all medical precautions for themselves, their families and the community's safety.

### **Capital Project update:**

The BMTL has 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 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:

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

## **The Birmingham Mosque Trust Limited**

### **Trustees and Directors' Report**

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 yet to commence.

#### **Financial review**

During the year, the Mosque raised £1.34m (2021: £0.98m) and spent £0.5m (2021: £0.38m) on charitable activities, resulting in a net income of ££0.84m (2021: £0.61m). The Mosque spent £1.45m (2021: £0.7m) on fixed asset additions.

The Mosques total reserves stood at £5.5m (2021: £4.6m), this include general reserves of £2.7m (2021: £2.7m).

#### ***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 2023.



# **The Birmingham Mosque Trust Limited**

## **Trustees and Directors' Report**

### **Going concern**

The trustees consider the Mosque to be a going concern. The position of the year end general reserves and the ongoing fundraising activities is sufficient to meet the short term and medium needs of the Mosque.

### **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.

### **Key Management Personnel**

The office bearers of the charity are four trustees elected by the Board of Trustees. They work with the Mosque Manager and various Head of departments for the day to day responsibilities of the BMTL. The remuneration of the key staff is set by the office bearers.

### **Fundraising disclosure**

The Mosque raises funds from its congregation attending weekly Friday prayers and during the month of Ramadan. The Mosque also held specific fundraising events for the building project. The Mosque also raises funds through its website.

During the year, the charity has been successful in raising funds for the building project.

The charity received no complaints during the year from donors.

### **Use of volunteers**

The Mosque regular worshipper's volunteers in many of the ongoing activities. The Mosque currently has around 25 volunteers who participate in various activities.

### **Financial instruments**

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

## **The Birmingham Mosque Trust Limited**

### **Trustees and Directors' Report**

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***

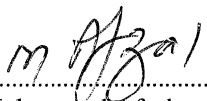
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

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 <sup>30/12/22</sup>..... and signed on its behalf by:

  
.....  
Muhammad Afzal  
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 Auditor's Report to the Members of THE BIRMINGHAM MOSQUE TRUST LIMITED**

### **Opinion**

We have audited the financial statements of THE BIRMINGHAM MOSQUE TRUST LIMITED (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, 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 2022 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 Companies Act 2006.

### **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's 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.

### **Other Matter**

We were appointed auditors of the Charity for the year ended 31 March 2022. The comparative figures for 2020 were not audited by ourselves or any other auditors, as this was not required in accordance with Company Law and the Charities Act. Our audit opinion is not modified in respect of this matter.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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

## **The Birmingham Mosque Trust Limited**

report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 10), 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's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

## The Birmingham Mosque Trust Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Naeem Shareef  
(Senior Statutory Auditor)  
For and on behalf of

Shareef & Co  
Chartered Accountants  
18-22 Stoney Lane  
Yardley, Birmingham  
B25 8YP

Date: 30 December 2022

# The Birmingham Mosque Trust Limited

## Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	392,012	783,295	1,175,307
Investment income	4	12,147	-	12,147
Other income	5	151,759	-	151,759
Total income		<u>555,918</u>	<u>783,295</u>	<u>1,339,213</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(475,434)</u>	<u>(27,386)</u>	<u>(502,820)</u>
Total expenditure		<u>(475,434)</u>	<u>(27,386)</u>	<u>(502,820)</u>
Net income		<u>80,484</u>	<u>755,909</u>	<u>836,393</u>
Net movement in funds		80,484	755,909	836,393
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>2,683,972</u>	<u>1,947,094</u>	<u>4,631,066</u>
Total funds carried forward	17	<u><u>2,764,456</u></u>	<u><u>2,703,003</u></u>	<u><u>5,467,459</u></u>

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
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>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(362,999)</u>	<u>(13,605)</u>	<u>(376,604)</u>
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
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>2,575,262</u>	<u>1,445,271</u>	<u>4,020,533</u>
Total funds carried forward	17	<u><u>2,683,972</u></u>	<u><u>1,947,094</u></u>	<u><u>4,631,066</u></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 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	4,129,023	2,785,380
<b>Current assets</b>			
Cash at bank and in hand	15	1,448,260	2,019,436
<b>Creditors: Amounts falling due within one year</b>	16	(109,824)	(173,750)
<b>Net current assets</b>		<u>1,338,436</u>	<u>1,845,686</u>
<b>Net assets</b>		<u>5,467,459</u>	<u>4,631,066</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		2,703,003	1,947,094
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>2,764,456</u>	<u>2,683,972</u>
<b>Total funds</b>	17	<u>5,467,459</u>	<u>4,631,066</u>

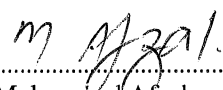
For the financial year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## 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 30th Dec 2022 and signed on their behalf by:

  
.....  
Muhammad Afzal  
Trustee



# **The Birmingham Mosque Trust Limited**

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

### **1 Charity status**

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

### **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.

# **The Birmingham Mosque Trust Limited**

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

### ***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.

### ***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.

# **The Birmingham Mosque Trust Limited**

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

### **Tangible fixed assets**

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

### **Depreciation and amortisation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
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.

# **The Birmingham Mosque Trust Limited**

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

### **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 2022**

#### ***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 2022**

#### ***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 2022

### *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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Building - Extension Project	742,434	495,831
Gift Aid	14,474	122,396
HMRC Grants	22,333	76,389
General collections	283,059	102,591
Events	46,590	12,521
Zakat	40,861	19,597
Education	25,556	10,868
	<u>1,175,307</u>	<u>840,193</u>

### **4 Investment income**

	<b>Unrestricted funds</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Other investment income	<u>12,147</u>	<u>12,147</u>	<u>14,144</u>

### **5 Other income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Funeral services	61,380	59,141
Family Counselling service	40,270	57,560
Marriage services	41,939	15,899
Wedding hall rent	8,170	200
	<u>151,759</u>	<u>132,800</u>

# The Birmingham Mosque Trust Limited

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

### 6 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2022 £	Total 2021 £
Employment Cost	154,561	-	-	154,561	146,779
Depreciation	105,224	-	-	105,224	80,446
Facilities Cost	55,607	-	-	55,607	56,185
Professional/Legal Fees	52,076	-	27,021	79,097	37,838
Office Expenses	30,811	-	-	30,811	16,356
Mosque Services	25,665	-	-	25,665	10,217
Sundry	23,127	-	-	23,127	5,244
Grants	1,342	27,386	-	28,728	23,537
	<u>448,413</u>	<u>27,386</u>	<u>27,021</u>	<u>502,820</u>	<u>376,602</u>

### 7 Analysis of governance and support costs

#### Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Audit fees			
Audit of the financial statements	5,000	5,000	-
Independent examiner fees			
Examination of the financial statements	-	-	4,200
Legal and professional fees	22,021	22,021	7,531
	<u>27,021</u>	<u>27,021</u>	<u>11,731</u>



# **The Birmingham Mosque Trust Limited**

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

### **8 Grant-making**

Below are details of material grants made to institutions

<b>Name of institution</b>	<b>2022 £</b>	<b>2021 £</b>
Islamic Relief	5,090	3,047
Saba Relief	5,000	353
Mercy International	4,500	3,100
Al Hijrah Education Foundation	3,000	-
Syria Relief	2,500	-
Al Munir Foundation	1,500	-
Food Bank	1,398	1,193
Central Funeral Services	1,020	-
Al-Shifa Trust	1,000	-
Al Ihsan Foundation	1,000	-
Ethar Relief	1,000	-
Other charities below £1,000	378	1,241
COVID 19 Support	-	3,370
Pak Friends Ltd	-	1,300
	<u>27,386</u>	<u>13,605</u>

### **9 Net incoming/outgoing resources**

Net incoming resources for the year include:

	<b>2022 £</b>	<b>2021 £</b>
Audit fees	5,000	-
Depreciation of fixed assets	<u>105,224</u>	<u>80,446</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 2022**

#### **11 Staff costs**

The aggregate payroll costs were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	142,237	133,542
Social security costs	9,019	10,680
Pension costs	3,305	2,558
	<u>154,561</u>	<u>146,780</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:

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Staff	<u>17</u>	<u>19</u>

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

#### **12 Independent examiner's remuneration**

	<b>2021</b>
	<b>£</b>
Examination of the financial statements	<u>4,200</u>

# The Birmingham Mosque Trust Limited

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

### 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 £
<b>Cost</b>			
At 1 April 2021	3,188,652	421,851	3,610,503
Additions	1,448,868	-	1,448,868
At 31 March 2022	<u>4,637,520</u>	<u>421,851</u>	<u>5,059,371</u>
<b>Depreciation</b>			
At 1 April 2021	471,362	353,761	825,123
Charge for the year	91,607	13,618	105,225
At 31 March 2022	<u>562,969</u>	<u>367,379</u>	<u>930,348</u>
<b>Net book value</b>			
At 31 March 2022	<u>4,074,551</u>	<u>54,472</u>	<u>4,129,023</u>
At 31 March 2021	<u>2,717,290</u>	<u>68,090</u>	<u>2,785,380</u>

### 15 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	801	425
Cash at bank	421,194	719,011
Short-term deposits	1,026,265	1,300,000
	<u>1,448,260</u>	<u>2,019,436</u>

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

	2022 £	2021 £
Other creditors	74,694	17,485
Accruals	35,130	41,585
Deferred income	-	114,680
	<u>109,824</u>	<u>173,750</u>

# The Birmingham Mosque Trust Limited

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

### 17 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	2,683,972	555,918	(475,434)	2,764,456
<b>Restricted funds</b>	<u>1,947,094</u>	<u>783,295</u>	<u>(27,386)</u>	<u>2,703,003</u>
<b>Total funds</b>	<u>4,631,066</u>	<u>1,339,213</u>	<u>(502,820)</u>	<u>5,467,459</u>

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

### *Restricted funds*

The Mosques restricted funds mainly relate to the building project and Zakat funds. The year-end balance includes only £6k of Zakat funds.

## The Birmingham Mosque Trust Limited

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

#### 18 Analysis of net assets between funds

	Unrestricted General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	1,426,020	2,703,003	4,129,023
Current assets	1,448,260	-	1,448,260
Current liabilities	(104,824)	-	(104,824)
Total net assets	<u>2,769,456</u>	<u>2,703,003</u>	<u>5,472,459</u>

	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	<u>2,683,972</u>	<u>1,947,094</u>	<u>4,631,066</u>

#### 19. Related party

There was nil (2021: nil) related party transactions during the year.

#### 20. Capital Commitments

As at year end, the Mosque had either completed or was close to the completion of stages up to stage 4. The Mosque is yet to commit to the stage 5 for the Mechanical, Electrical, Finishes & External Work.