

MUHAMMADI TRUST OF GREAT BRITAIN AND NORTHERN IRELAND

England & Wales · Charity number 265673

Details

Status Registered

Legal form Trust

Registered 1974-06-11

Register [View on the Charity Commission register](#)

Contact

Address 131 Walm Lane
London
NW2 3AU

Phone 02084521739

Email info@muhammaditrust.com

Website www.mtrust.org.uk

Activities

Objects: THE PROMOTION AND MAINTENANCE OF THE DOCTRINES OF ISLAM BASED ON FIGH-E-JAFFERIYA

Activities: Publications, Seminars, Scholarly forums, Interfaith dialogue, Discussions and Annual Commemorative gatherings

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Religious Activities, Other Charitable Purposes
- **Who:** People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies

Geography

- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£137,939	£184,731	-	-
2023-09-30	£78,580	£123,824	-	-
2022-09-30	£66,757	£125,899	-	-
2021-09-30	£377,848	£90,516	-	-
2020-09-30	£115,948	£99,453	-	-

Trustees

Name	Role	Appointed
KANEEZ ZEHRA FAZIL	Chair	2009-07-11
Ali Haider Gokal		2023-09-01
MASOOM ALI RAMJI		2009-03-12
SYEDA KHALIDA RAHMAN		1994-03-12

MUHAMMADI TRUST OF GREAT BRITAIN AND NORTHERN IRELAND

England & Wales - Charity number 265673

Accounts

REGISTERED CHARITY NUMBER: 265673

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30th September 2024
for
Muhammadi Trust of GB & NI

Barnes Noble Ltd
Chartered Accountant & Registered Auditor
Unitec House
2 Albert Place
London
N3 1QB

Muhammadi Trust of GB & NI

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for the Year Ended 30th September 2024

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Muhammadi Trust of GB & NI

Reference and Administrative Details
for the Year Ended 30th September 2024

Trustees

Ms K Z Fazil
Mrs S K Rahman
M A Ramji
A H Gokal

Registered office

131
Walm Lane
London
NW2 3AU

Registered charity number

265673

Independent examiner

Barnes Noble Ltd
Chartered Accountant & Registered Auditor
Unitec House
2 Albert Place
London
N3 1QB

Muhammadi Trust of GB & NI

Report of the Trustees **for the Year Ended 30th September 2024**

The trustees present the annual report together with the financial statements of the charity for the year ended 30 September 2024.

Objectives and activities

Objectives and aims

Use of Trust premises known as The Muhammad! Trust Centre.

Muhammadi Trust centre is used to facilitate programmes and serve the needs of the community and Trusts' objectives. The Trust has successfully managed to rent out parts of the building to Alm Foundation who are still there on the first floor. This enabled the Trust to ensure that there is someone at the centre at all times and it enhanced the building further. This also assisted in partially covering the day-to-day running expenses of the centre. Alm Foundation also hire the main hall downstairs during the month of Muharram for their Majalis this year. Alm foundation has now restarted their Thursday evening Dua e Kumayl programme at the trust.

Objectives, strategies and activities

Waadi Al Salaam (Cemetery)

The Trust has been offering burial service associated with the cemetery owned by the Trust. An internal subcommittee of Trustees and volunteers manage Waadi Al Salaam. The trustees have now created new graves to facilitate the additional booking requirement. Further graves will be generated next year with the same builders who have worked at the cemetery. There is still a shortage of space throughout London.

The Centre at Walm Lane:

A lot of work at the trust has been taken on, however as it is an old building the works keeps on increasing and the contractors have to always attend to new issues. The trustees managed to hold Muharram English Majalisse this year on a smaller scale with a local speaker. The trustees feel that this is the best option and also a cost effective way of delivering lectures. Having a local speaker also means that have advised Muharram means that the younger ones can relate to them and also the language barrier is not there as such. Some parts of the roof and internal works are still remaining and will be dealt with in due course. Publication committee has completed the inventory and most of the books have been safely kept in the newly created library in the conference room.

Religious Gatherings, Seminars & Lectures

The Trust is particularly proud to report the continuation of its annual commemorative programme held which was held in English this year. This was during the first 10 days of the Islamic month of Muharram. The lectures were taken well by the younger crowd. The trust intends to contact other speakers in the years to come, who could facilitate towards spiritual growth of our attendees.

Publications

The Trust has setup a publication sub-committee to look at the future publication requirements and has appointed a part time staff under the wings of our new trustee, Ali Gokal. The Trust continues to market its publications, for which worldwide orders are received through its website and some of the publications are well received by the universities offering courses in philosophy and religious studies. Some other religious institutes regularly order books and the trustees are hoping to get more publications organised in the future. Ali Gokal's joining the publication committee will assist the trust to resume its much desired work. It is through publications and seminars that Muhammadi Trust is also known and well respected and has built strong connections with national and international academics.

Muhammadi Trust of GB & NI

Report of the Trustees **for the Year Ended 30th September 2024**

Objectives and activities

Public benefit

The Trust will soon continue to facilitate lectures and seminars to create an awareness of and also encourage, the ethos of peace, justice and equality for the society we live in. More of these activities need to be arranged once the refurbishment work has been completed.

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.

Plans for future periods

Aims and key objectives for future periods

In line with its aims and objectives, the future plans of the Trust include, but are not restricted to:

1. Spiritual and publication work to be carried out with assistance of the new trustee.
2. The trust has Employed a full- time staff to facilitate more activities at the trust and also to assist in general upkeep of the building . This will also assist in generating more bookings for the hall .
3. Further equipment for the main hall for recording and digital projection .
4. New alarm system has been installed at a very good price for safety of the building , further cameras to be looked at .
5. To continue further works at Waadi, this will assist us to increase number of reservations of the graves.
5. Continue regular seminars and conferences by next summer which take an intellectual approach to the theological, spiritual and social issues affecting our community in general and young people in particular.
6. Through the medium of interfaith dialogues, the Trust wishes to encourage greater understanding between different communities and religious beliefs. We hope such forums shall provide an arena for co operation and unity based on knowledge and understanding.

Strategic report

Structure, governance and management

Nature of governing document

The Trust is governed by virtue of the Trust's previous and present governance document, which was updated on 20th March 2006. All meetings have a written Agenda for discussion and review of the Trust's activities and finances for an efficient management and progression of its objectives. The proceeding of these meetings are recorded, approved and filed in the Trust's office.

All of the trustees have a generic responsibility for all matters related to the Trust. The board of Trustees consists of specialists in Education and different businesses. Hence, in relation to training, most of them are trained by their professional experience. The Trust has had one part time staff responsible for publication, seminars and marketing and a full time staff for day- to- day activities at the trust including Hall Hire and upkeep of the Centre.

Muhammadi Trust of GB & NI

Report of the Trustees
for the Year Ended 30th September 2024

Trustees' responsibility statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- . select suitable accounting policies and then apply them consistently;
- . observe the methods and principles in the Charities SORP;
- . make judgements and estimates that are reasonable and prudent;
- . state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- . prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the trustees, incorporating a Strategic report, approved by order of the board of trustees, as the company directors, on 18-7-2025 and signed on the board's behalf by:



Ms K Z Fazil - Trustee

**Independent Examiner's Report to the Trustees of
Muhammadi Trust of GB & NI**

Independent examiner's report to the trustees of Muhammadi Trust of GB & NI ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30th September 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (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 Company 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

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 Company 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.



Romit Basu FCA (Senior Statutory Auditor)

Barnes Noble Ltd
Chartered Accountant & Registered Auditor
Unitec House
2 Albert Place
London
N3 1QB

Date: 18-7-2025

Muhammadi Trust of GB & NI

**Statement of Financial Activities
for the Year Ended 30th September 2024**

	Notes	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
Income and endowments from					
Donations and legacies	3	120	-	120	11,395
Other Income	4	55,020	-	55,020	22,717
Investment income	5	82,799	-	82,799	44,468
Total		137,939	-	137,939	78,580
Expenditure on					
Raising funds	6	60,437	-	60,437	29,362
Charitable activities	7				
Charitable Activities		124,294	-	124,294	94,462
Total		184,731	-	184,731	123,824
NET INCOME/(EXPENDITURE)		(46,792)	-	(46,792)	(45,244)
Reconciliation of funds					
Total funds brought forward		1,952,351	11,847	1,964,198	2,009,442
Total funds carried forward		1,905,559	11,847	1,917,406	1,964,198

The notes form part of these financial statements

Muhammadi Trust of GB & NI

Statement of Financial Position
30th September 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	15	1,325,548	1,278,750
Investments			
Investments	16	77,181	71,594
Investment property	17	468,250	468,250
		<u>1,870,979</u>	<u>1,818,594</u>
Current assets			
Stocks	18	101,943	157,920
Cash at bank and in hand		95,763	153,229
		<u>197,706</u>	<u>311,149</u>
Creditors			
Amounts falling due within one year	19	(54,831)	(58,339)
		<u>142,875</u>	<u>252,810</u>
Net current assets			
		<u>2,013,854</u>	<u>2,071,404</u>
Total assets less current liabilities			
		<u>2,013,854</u>	<u>2,071,404</u>
Creditors			
Amounts falling due after more than one year	20	(96,448)	(107,206)
		<u>1,917,406</u>	<u>1,964,198</u>
NET ASSETS			
		<u>1,917,406</u>	<u>1,964,198</u>
Funds	23		
Unrestricted funds:			
General fund		1,905,559	1,952,351
Restricted funds:			
Restricted Fund		11,847	11,847
		<u>1,917,406</u>	<u>1,964,198</u>
Total funds			
		<u>1,917,406</u>	<u>1,964,198</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th September 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 30th September 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

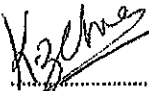
- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on 18.7.2025 and were signed on its behalf by:

The notes form part of these financial statements

Muhammadi Trust of GB & NI

Statement of Financial Position - continued
30th September 2024



.....
K Z Fazli - Trustee

The notes form part of these financial statements

Muhammadi Trust of GB & NI

Notes to the Financial Statements
for the Year Ended 30th September 2024

1. Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

2. Accounting policies

Basis of preparation

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

Exemption from preparing a cash flow statement

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Governance costs

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

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.

2. Accounting policies - continued

Tangible fixed assets

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:

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

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

Stocks

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. They are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2. Accounting policies - continued

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.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

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.

Debt instruments

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

2. Accounting policies - continued

Financial Instruments

(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.

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements - continued
for the Year Ended 30th September 2024

3. Donations and legacies	2024	2023
	£	£
Appeals and donation	120	11,395
4. Other income	2024	2023
	£	£
Other Income - Book sales	53,905	1,125
Other Income - Hall bookings	1,115	21,592
	55,020	22,717
5. Investment income	2024	2023
	£	£
Income from investment property	44,153	42,582
Income from other investments	2,646	1,886
Income from grave reservation	36,000	-
	82,799	44,468
6. Raising funds		
Raising donations and legacies	2024	2023
	£	£
Fund Raising Waadl expenses	4,460	3,682
Fund Raising Mujalis expenses	-	24,000
	4,460	27,682
Costs of generating donations and legacies	2024	2023
	£	£
Opening stock	157,920	159,600
Closing stock	(101,943)	(157,920)
	55,977	1,680
Aggregate amounts	60,437	29,362

Muhammadi Trust of GB & NI

Notes to the Financial Statements - continued
for the Year Ended 30th September 2024

7. Charitable activities costs

	Support costs (see note 8)
	£
Charitable Activities	124,294

8. Support costs

	Governance costs
	£
Charitable Activities	124,294

Support costs, included in the above, are as follows:

	2024 Charitable Activities £	2023 Total activities £
Wages	33,685	29,755
Social security	39	-
Pensions	529	180
Rates and water	(821)	1,537
Insurance	4,766	4,669
Light and heat	7,304	7,141
Telephone	2,298	1,803
Office expenses	1,585	128
Accountancy fees	2,025	3,161
Computer software	171	600
Trade subscription	(498)	498
Sundry expenses	1,211	1,723
Cleaning	3,115	1,874
Travel and subsistence	5,305	106
Bank charges	100	94
Repairs and maintenance	34,210	13,632
Printing, Postage and Stationery	235	-
Service charges	1,820	-
Health & safety	1,320	-
Security cost	2,678	-
Foreign currency exchange rate	3	-
Depreciation of tangible fixed assets	21,355	20,212
Interest payable and similar charges	1,859	7,349
	<u>124,294</u>	<u>94,462</u>

Muhammad Trust of GB & NI

Notes to the Financial Statements - continued
for the Year Ended 30th September 2024

9. Governance cost

	2024	2023
	£	£
Support costs	<u>124,294</u>	<u>94,462</u>

10. Net income/(expenditure)

Net Income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation - owned assets	<u>21,355</u>	<u>20,212</u>

11. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 30th September 2024 nor for the year ended 30th September 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th September 2024 nor for the year ended 30th September 2023.

12. Staff costs

The aggregate payroll costs were as follows:

Staff costs during the year	2024	2023
	£	£
Wages and salaries	33,685	29,755
Social security costs	39	-
Pension costs	529	180
	<u>34,253</u>	<u>29,935</u>

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

The average monthly number of employees during the year was as follows:

	2024	2023
	2	2
Administrative staff	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

Muhammadi Trust of GB & NI

Notes to the Financial Statements - continued
for the Year Ended 30th September 2024

13. Taxation

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

14. Auditors' remuneration

	2024 £	2023 £
Other fees to auditors		
All other non-audit services	2,025	3,161

15. Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Totals £
Cost			
At 1st October 2023	1,643,655	59,809	1,703,464
Additions	68,153	-	68,153
At 30th September 2024	1,711,808	59,809	1,771,617
Depreciation			
At 1st October 2023	367,100	57,614	424,714
Charge for year	21,026	329	21,355
At 30th September 2024	388,126	57,943	446,069
Net book value			
At 30th September 2024	1,323,682	1,866	1,325,548
At 30th September 2023	1,276,555	2,195	1,278,750

Included within the net book value of land and buildings above is £1,323,682 (2023 - £1,276,555) in respect of freehold land and buildings and £Nil (2023 - £Nil) in respect of leaseholds.

16. Fixed asset investments

	Unlisted Investments £
Market value	
At 1st October 2023	71,594
Revaluations	5,587
At 30th September 2024	77,181
Net book value	
At 30th September 2024	77,181
At 30th September 2023	71,594

There were no investment assets outside the UK.

Muhammadi Trust of GB & NI

Notes to the Financial Statements - continued
for the Year Ended 30th September 2024

16. Fixed asset investments - continued

Cost or valuation at 30th September 2024 is represented by:

	Unlisted investments
	£
Valuation in 0	5,587
Cost	71,594
	<u>77,181</u>

17. Investment property

	£
Fair value	
At 1st October 2023	
and 30th September 2024	468,250
Net book value	
At 30th September 2024	468,250
At 30th September 2023	468,250

18. Stocks

	2024	2023
	£	£
Finished goods	101,943	157,920

19. Creditors: amounts falling due within one year

	2024	2023
	£	£
Bank loans and overdrafts (see note 21)	18,218	18,385
Trade creditors	-	4,750
Social security and other taxes	-	355
Other creditors	4,487	2,741
Pension	126	108
Accrued expenses	32,000	32,000
	<u>54,831</u>	<u>58,339</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements - continued
for the Year Ended 30th September 2024

20. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Bank loans (see note 21)	<u>96,448</u>	<u>107,206</u>

21. Loans

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand: Bank loans	<u>18,218</u>	<u>18,385</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>96,448</u>	<u>107,206</u>

22. Analysis of net assets between funds

	Unrestricted fund	Restricted fund	2024 Total funds	2023 Total funds
	£	£	£	£
Fixed assets	1,325,548	-	1,325,548	1,278,750
Investments	545,431	-	545,431	539,844
Current assets	197,706	-	197,706	311,149
Current liabilities	(66,678)	11,847	(54,831)	(58,339)
Long term liabilities	(96,448)	-	(96,448)	(107,206)
	<u>1,905,559</u>	<u>11,847</u>	<u>1,917,406</u>	<u>1,964,198</u>

23. Movement in funds

	At 1/10/23	Net movement in funds	At 30/9/24
	£	£	£
Unrestricted funds			
General fund	1,952,351	(46,792)	1,905,559
Restricted funds			
Restricted Fund	11,847	-	11,847
TOTAL FUNDS	<u>1,964,198</u>	<u>(46,792)</u>	<u>1,917,406</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements - continued
for the Year Ended 30th September 2024

23. Movement in funds - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	137,939	(184,731)	(46,792)
TOTAL FUNDS	137,939	(184,731)	(46,792)

Comparatives for movement in funds

	At 1/10/22 £	Net movement in funds £	At 30/9/23 £
Unrestricted funds			
General fund	1,997,595	(45,244)	1,952,351
Restricted funds			
Restricted Fund	11,847	-	11,847
TOTAL FUNDS	2,009,442	(45,244)	1,964,198

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	78,580	(123,824)	(45,244)
TOTAL FUNDS	78,580	(123,824)	(45,244)

Muhammad Trust of GB & NI

Notes to the Financial Statements - continued
for the Year Ended 30th September 2024

24. Related party disclosures

There were no related party transactions for the year ended 30th September 2024.

MUHAMMADI TRUST OF GREAT BRITAIN AND NORTHERN IRELAND

England & Wales - Charity number 265673

Accounts

Charity registration number: 265673

Muhammadi Trust of GB & NI

Annual Report and Financial Statements

for the Year Ended 30 September 2023

Muhammadi Trust of GB & NI

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Muhammadi Trust of GB & NI

Reference and Administrative Details

Trustees	Ms K Z Fazil Mrs S K Rahman Mr M A Ramji Mr A H Gokal
Principal Office	131 Walm Lane London NW2 3AU
Charity Registration Number	265673
Auditor	DSK Partners LLP Chartered Accountants & Statutory Auditors DS House 306 High Street Croydon CR0 1NG

Muhammadi Trust of GB & NI

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 September 2023.

Objectives and activities

Objects and aims

Use of Trust premises known as The Muhammadi Trust Centre.

Muhammadi Trust centre is used to facilitate programmes and serve the needs of the community and Trusts' objectives. The Trust has successfully managed to rent out parts of the building to Aim Foundation who are still there on the first floor. This enabled the Trust to ensure that there is someone at the centre at all times and it enhanced the building further. This also assisted in partially covering the day-to-day running expenses of the centre. Aim Foundation also hire the main hall downstairs during the month of Muharram for their Majalis this year. There are also discussions with them to do a joint gathering every Thursday evening which was happening before Covid-19.

Muhammadi Trust of GB & NI

Trustees' Report (continued)

Objectives, strategies and activities

Waadi Al Salaam (Cemetery)

The Trust has been offering burial service associated with the cemetery owned by the Trust. An internal subcommittee of Trustees and volunteers manage Waadi Al Salaam. The trustees are now looking to create more space for graves, order further slabs so that we can take further reservations. There is a shortage of space throughout London so new prices will be decided soon. New sales will mean further development at Waadi which is going to be beneficial for us.

The Centre at Walm Lane:

A lot of work at the trust has been taken on, however as it is an old building the works keeps on increasing and the contractors have to always attend to new issues. The trustees have advised Muharram committee to not use the trust this year for Muharram as works will not finish in time and it is better to also refurbish the interiors before we open for public again. The carpets and the kitchen requires urgent attention as the kitchen floor is completely rotten and cabinets are falling off. Aim has informed about further leaks on the other roof which will need to be attended too. However, things are shaping up well when the weather permits. Publication committee has been requested to check all the books in the storage upstairs and it will be better to bring them down to avoid them getting wet. We should perhaps make a library in the conference room downstairs to protect them. As we are refurbishing inside too, we will also repair both ladies and gents toilets and do refurbishment work on the first floor which is extremely important.

Religious Gatherings, Seminars & Lectures

The Trust is particularly proud to report the continuation of its annual commemorative programme held mainly in Urdu during the first 10 days of the Islamic month of Muharram. However, this year the attendance was not very impressive as the speaker was not appreciated by the public. Muharram committee must be very careful in future with their choice of speaker. The trust could not do regular weekly gathering of prayers and supplications are held at the Centre on Thursdays for the spiritual needs of the community. This programme was missed a lot and the trust intends to start as soon as refurbishment work has been completed.

Publications

The Trust has setup a publication sub-committee to look at the future publication requirements and has appointed a part time staff. The Trust continues to market its publications, for which worldwide orders are received through its website and some of the publications are well received by the universities offering courses in philosophy and religious studies. Some other religious institutes regularly order books and the trustees are hoping to get more publications organised in the future. The trustees have requested Ali Gokal to join the publication committee due to his knowledge and interest in this field. This will assist the trust to resume its much desired work. It is through publications and seminars that Muhammadi Trust is also known and well respected and has built strong connections with national and international academics.

Muhammadi Trust of GB & NI

Trustees' Report (continued)

Public benefit

The Trust will soon continue to facilitate lectures and seminars to create an awareness of and also encourage, the ethos of peace, justice and equality for the society we live in. More of these activities need to be arranged once the refurbishment work has been completed.

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.

Plans for future periods

Aims and key objectives for future periods

In line with its aims and objectives, the future plans of the Trust include, but are not restricted to:

1. Appointment of a new trustee which is an absolute necessity.
2. Employ a full- time staff at the trust.
3. Further equipment for the main hall for recording and digital projection facilities together with a new alarm system.
4. To continue further works at Waadi, this will assist us to increase number of reservations of the graves.
5. Continue regular seminars and conferences by next summer which take an intellectual approach to the theological, spiritual and social issues affecting our community in general and young people in particular.
6. Through the medium of interfaith dialogues, the Trust wishes to encourage greater understanding between different communities and religious believes. We hope such forums shall provide an arena for co operation and unity based on knowledge and understanding.

Muhammadi Trust of GB & NI

Trustees' Report (continued)

Structure, governance and management

Nature of governing document

The Trust is governed by virtue of the Trust's previous and present governance document, which was updated on 20th March 2006. All meetings have a written Agenda for discussion and review of the Trust's activities and finances for an efficient management and progression of its objectives. The proceeding of these meetings are recorded, approved and filed in the Trust's office.

All of the trustees have a generic responsibility for all matters related to the Trust. The board of Trustees consists of specialists in Education and different businesses. Hence, in relation to training, most of them are trained by their professional experience. The Trust has had one part time staff responsible for publication, seminars and marketing and another part time staff for day- to- day activities at the trust including Hall Hire and upkeep of the Centre.

The annual report was approved by the trustees of the charity on 28 May 2024 and signed on its behalf by:

.....
Ms K Z Fazil
Trustee

Muhammadi Trust of GB & NI

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 28 May 2024 and signed on its behalf by:

.....
Ms K Z Fazil
Trustee

Muhammadi Trust of GB & NI

Independent Examiner's Report to the trustees of Muhammadi Trust of GB & NI

I report on the accounts of the charity for the year ended 30 September 2023 which are set out on pages 8 to 26.

Responsibilities and basis of report

As the charity trustees of Muhammadi Trust of GB & NI you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Muhammadi Trust of GB & NI's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of Muhammadi Trust of GB & NI as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

.....
Mr Dhirajlal Shah
Chartered Accountants & Statutory Auditors
DSK Partners LLP

DS House
306 High Street
Croydon
CR0 1NG

28 May 2024

Muhammadi Trust of GB & NI

Statement of Financial Activities for the Year Ended 30 September 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies		11,395	-	11,395
Investment income	4	44,468	-	44,468
Other income		22,717	-	22,717
Total income		78,580	-	78,580
Expenditure on:				
Raising funds		(29,362)	-	(29,362)
Charitable activities		(94,462)	-	(94,462)
Total expenditure		(123,824)	-	(123,824)
Net expenditure		(45,244)	-	(45,244)
Net movement in funds		(45,244)	-	(45,244)
Reconciliation of funds				
Total funds brought forward		1,997,595	11,847	2,009,442
Total funds carried forward	20	1,952,351	11,847	1,964,198

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies		1,120	-	1,120
Investment income	4	39,128	-	39,128
Other income		26,509	-	26,509
Total income		66,757	-	66,757
Expenditure on:				
Raising funds		(42,053)	-	(42,053)
Charitable activities		(83,846)	-	(83,846)
Total expenditure		(125,899)	-	(125,899)
Net expenditure		(59,142)	-	(59,142)
Net movement in funds		(59,142)	-	(59,142)
Reconciliation of funds				
Total funds brought forward		2,056,737	11,847	2,068,584
Total funds carried forward	20	1,997,595	11,847	2,009,442

The notes on pages 11 to 26 form an integral part of these financial statements.

Muhammadi Trust of GB & NI

Statement of Financial Activities for the Year Ended 30 September 2023 (continued)

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 20.

Muhammadi Trust of GB & NI

(Registration number: 265673)

Statement of Financial Position as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	1,278,749	1,188,971
Investments	14	<u>539,844</u>	<u>540,926</u>
		<u>1,818,593</u>	<u>1,729,897</u>
Current assets			
Stocks	15	157,920	159,600
Debtors	16	-	1,666
Cash at bank and in hand	17	<u>153,229</u>	<u>297,764</u>
		311,149	459,030
Creditors: Amounts falling due within one year	18	<u>(58,338)</u>	<u>(58,554)</u>
Net current assets		<u>252,811</u>	<u>400,476</u>
Total assets less current liabilities		2,071,404	2,130,373
Creditors: Amounts falling due after more than one year	19	<u>(107,206)</u>	<u>(120,931)</u>
Net assets		<u>1,964,198</u>	<u>2,009,442</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		11,847	11,847
Unrestricted income funds			
Unrestricted funds		<u>1,952,351</u>	<u>1,997,595</u>
Total funds	20	<u>1,964,198</u>	<u>2,009,442</u>

The financial statements on pages 8 to 26 were approved by the trustees, and authorised for issue on 28 May 2024 and signed on their behalf by:

.....
Ms K Z Fazil
Trustee

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

Exemption from preparing a cash flow statement

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Governance costs

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

Taxation

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

Tangible fixed assets

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

Depreciation and amortisation

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

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

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

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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.

Trade creditors

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

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

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

Borrowings

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

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

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees 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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

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.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	11,395	11,395	1,120
	<u>11,395</u>	<u>11,395</u>	<u>1,120</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Waadi income	-	-	1,000
Book Sales	1,125	1,125	1,009
Hall Bookings	21,592	21,592	24,500
	<u>22,717</u>	<u>22,717</u>	<u>26,509</u>

4 Investment income

	Unrestricted funds General £	Total funds £
Other investment income	1,886	1,886
Income from rents	42,582	42,582
Total for 2023	<u>44,468</u>	<u>44,468</u>
Total for 2022	<u>39,128</u>	<u>39,128</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2023 £	Total 2022 £
Other direct costs of generating voluntary income		<u>27,682</u>	<u>27,682</u>	<u>37,013</u>

6 Expenditure on charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Waadi Expenses	3,682	3,682	21,065
Mujalis Expenses	<u>24,000</u>	<u>24,000</u>	<u>15,948</u>
	<u>27,682</u>	<u>27,682</u>	<u>37,013</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Staff costs			
Wages and salaries	29,755	29,755	22,575
Social security costs	-	-	70
Pension costs	180	180	-
Audit fees			
Other fees paid to auditors	3,161	3,161	3,034
Legal fees	-	-	507
Depreciation, amortisation and other similar costs	20,212	20,212	18,359
Other governance costs	41,154	41,154	39,301
	<u>94,462</u>	<u>94,462</u>	<u>83,846</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Depreciation of fixed assets	<u>20,212</u>	<u>18,359</u>

9 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

10 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	29,755	22,575
Social security costs	-	70
Pension costs	180	-
	<u>29,935</u>	<u>22,645</u>

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

	2023 No	2022 No
Administrative staff	<u>2</u>	<u>2</u>

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

11 Auditors' remuneration

	2023 £	2022 £
Other fees to auditors		
All other non-audit services	<u>3,161</u>	<u>3,034</u>

12 Taxation

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

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 October 2022	1,533,665	59,808	1,593,473
Additions	<u>109,990</u>	<u>-</u>	<u>109,990</u>
At 30 September 2023	<u>1,643,655</u>	<u>59,808</u>	<u>1,703,463</u>
Depreciation			
At 1 October 2022	347,275	57,227	404,502
Charge for the year	<u>19,825</u>	<u>387</u>	<u>20,212</u>
At 30 September 2023	<u>367,100</u>	<u>57,614</u>	<u>424,714</u>
Net book value			
At 30 September 2023	<u>1,276,555</u>	<u>2,194</u>	<u>1,278,749</u>
At 30 September 2022	<u>1,186,390</u>	<u>2,581</u>	<u>1,188,971</u>

Included within the net book value of land and buildings above is £1,276,555 (2022 - £1,186,390) in respect of freehold land and buildings and £Nil (2022 - £Nil) in respect of leaseholds.

14 Fixed asset investments

	2023 £	2022 £
Investment properties	468,250	468,250
Other investments	<u>71,594</u>	<u>72,676</u>
	<u>539,844</u>	<u>540,926</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

Investment properties

	Investment properties £
Cost or Valuation	
At 1 October 2022	<u>468,250</u>
Provision	
At 30 September 2023	<u>-</u>
Net book value	
At 30 September 2023	<u>468,250</u>
At 30 September 2022	<u>468,250</u>

Other investments

	Unlisted investments £	Total £
Cost or Valuation		
At 1 October 2022	72,676	72,676
Revaluation	<u>(1,082)</u>	<u>(1,082)</u>
At 30 September 2023	<u>71,594</u>	<u>71,594</u>
Net book value		
At 30 September 2023	<u>71,594</u>	<u>71,594</u>
At 30 September 2022	<u>72,676</u>	<u>72,676</u>

15 Stock

	2023 £	2022 £
Stocks	<u>157,920</u>	<u>159,600</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

16 Debtors

	2023 £	2022 £
Other debtors	-	1,666

17 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	708	513
Cash at bank	152,521	297,251
	<u>153,229</u>	<u>297,764</u>

18 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	18,385	15,763
Trade creditors	4,750	4,750
Other taxation and social security	355	1,339
Other creditors	2,848	4,702
Deferred income	32,000	32,000
	<u>58,338</u>	<u>58,554</u>

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2023 £	2022 £
Bank loans	<u>18,385</u>	<u>15,763</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

19 Creditors: amounts falling due after one year

	2023	2022
	£	£
Bank loans	<u>107,206</u>	<u>120,931</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2023	2022
	£	£
Bank loans	<u>107,206</u>	<u>120,931</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

20 Funds

	Balance at 1 October 2022 £	Incoming resources £	Resources expended £	Balance at 30 September 2023 £
Unrestricted funds				
General	1,997,595	78,580	(123,824)	1,952,351
Restricted funds	<u>11,847</u>	<u>-</u>	<u>-</u>	<u>11,847</u>
Total funds	<u>2,009,442</u>	<u>78,580</u>	<u>(123,824)</u>	<u>1,964,198</u>
	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Balance at 30 September 2022 £
Unrestricted				
General	(2,056,737)	(66,757)	125,899	(1,997,595)
Restricted	<u>(11,847)</u>	<u>-</u>	<u>-</u>	<u>(11,847)</u>
Total funds	<u>(2,068,584)</u>	<u>(66,757)</u>	<u>125,899</u>	<u>(2,009,442)</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2023 (continued)

21 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 30 September 2023 £
Tangible fixed assets	1,278,749	1,278,749
Fixed asset investments	539,844	539,844
Current assets	311,149	311,149
Current liabilities	(58,338)	(58,338)
Creditors over 1 year	(107,206)	(107,206)
Total net assets	<u>1,964,198</u>	<u>1,964,198</u>

	Unrestricted funds General £	Total funds at 30 September 2022 £
Tangible fixed assets	1,188,971	1,188,971
Fixed asset investments	540,926	540,926
Current assets	459,030	459,030
Current liabilities	(58,554)	(58,554)
Creditors over 1 year	(120,931)	(120,931)
Total net assets	<u>2,009,442</u>	<u>2,009,442</u>

22 Analysis of net funds

	At 1 October 2022 £	At 30 September 2023 £
Cash at bank and in hand	297,764	153,229
Net debt	<u>297,764</u>	<u>153,229</u>

	At 1 October 2021 £	At 30 September 2022 £
Cash at bank and in hand	397,286	297,764
Net debt	<u>397,286</u>	<u>297,764</u>

Muhammadi Trust of GB & NI

Statement of Financial Activities by fund for the Year Ended 30 September 2023

	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
Income and Endowments from:		
Donations and legacies	11,395	1,120
Investment income	44,468	39,128
Other income	<u>22,717</u>	<u>26,509</u>
Total income	<u>78,580</u>	<u>66,757</u>
Expenditure on:		
Raising funds	(29,362)	(42,053)
Charitable activities	<u>(94,462)</u>	<u>(83,846)</u>
Total expenditure	<u>(123,824)</u>	<u>(125,899)</u>
Net expenditure	<u>(45,244)</u>	<u>(59,142)</u>
Net movement in funds	(45,244)	(59,142)
Reconciliation of funds		
Total funds brought forward	<u>1,997,595</u>	<u>2,056,737</u>
Total funds carried forward	<u><u>1,952,351</u></u>	<u><u>1,997,595</u></u>

Muhammadi Trust of GB & NI

Statement of Financial Activities by fund for the Year Ended 30 September 2023 (continued)

	Total Restricted Funds 2023 £	Total Restricted Funds 2022 £
Income and Endowments from:		
Expenditure on:		
Net income/(expenditure)	-	-
Reconciliation of funds		
Total funds brought forward	<u>11,847</u>	<u>11,847</u>
Total funds carried forward	<u><u>11,847</u></u>	<u><u>11,847</u></u>

Muhammadi Trust of GB & NI

Detailed Statement of Financial Activities for the Year Ended 30 September 2023

	Total 2023 £	Total 2022 £
Income and Endowments from:		
Donations and legacies (analysed below)	11,395	1,120
Investment income (analysed below)	44,468	39,128
Other income (analysed below)	<u>22,717</u>	<u>26,509</u>
Total income	<u>78,580</u>	<u>66,757</u>
Expenditure on:		
Raising funds (analysed below)	(29,362)	(42,053)
Charitable activities (analysed below)	<u>(94,462)</u>	<u>(83,846)</u>
Total expenditure	<u>(123,824)</u>	<u>(125,899)</u>
Net expenditure	<u>(45,244)</u>	<u>(59,142)</u>
Net movement in funds	(45,244)	(59,142)
Reconciliation of funds		
Total funds brought forward	<u>2,009,442</u>	<u>2,068,584</u>
Total funds carried forward	<u><u>1,964,198</u></u>	<u><u>2,009,442</u></u>

Muhammadi Trust of GB & NI

Detailed Statement of Financial Activities for the Year Ended 30 September 2023 (continued)

	Total 2023 £	Total 2022 £
<i>Donations and legacies</i>		
Appeals and donations	11,395	1,120
	<u>11,395</u>	<u>1,120</u>
<i>Investment income</i>		
Income from investment properties	42,582	38,059
Income from other investments	1,886	1,069
	<u>44,468</u>	<u>39,128</u>
<i>Other income</i>		
Other income - Waadi income	-	1,000
Other income - Book sales	1,125	1,009
Other income - Hall bookings	21,592	24,500
	<u>22,717</u>	<u>26,509</u>
<i>Raising funds</i>		
Other fundraising costs - Waadi expenses	(3,682)	(21,065)
Other fundraising costs - Mujalis expenses	(24,000)	(15,948)
Opening stock	(159,600)	(164,640)
Closing stock	157,920	159,600
	<u>(29,362)</u>	<u>(42,053)</u>
<i>Charitable activities</i>		
Wages and salaries	(29,755)	(22,575)
Staff NIC (Employers)	-	(70)
Staff pensions	(180)	-
Rates	(1,537)	(1,895)
Light, heat and power	(7,141)	(3,952)
Insurance	(4,669)	(4,424)
Repairs and maintenance	(13,632)	(8,431)
Telephone and fax	(1,803)	(1,726)
Office expenses	(128)	(101)
Computer software and maintenance costs	(600)	-
Trade subscriptions	(498)	-
Sundry expenses	(1,723)	(1,198)
Cleaning	(1,874)	(1,488)
Travel and subsistence	(107)	-
Accountancy fees	(3,161)	(3,034)
Legal and professional fees	-	(507)
Bank charges	(93)	(84)

This page does not form part of the statutory financial statements.

Muhammadi Trust of GB & NI

**Detailed Statement of Financial Activities for the Year Ended 30 September
2023 (continued)**

	Total 2023 £	Total 2022 £
Loan interest	(6,267)	(2,351)
Depreciation of freehold property	(19,825)	(17,904)
Depreciation of fixtures and fittings	(62)	(72)
Depreciation of office equipment	(325)	(383)
(Gain)/loss on UK investments	<u>(1,082)</u>	<u>(13,651)</u>
	<u><u>(94,462)</u></u>	<u><u>(83,846)</u></u>

MUHAMMADI TRUST OF GREAT BRITAIN AND NORTHERN IRELAND

England & Wales - Charity number 265673

Accounts

Charity registration number: 265673

Muhammadi Trust of GB & NI

Annual Report and Financial Statements

for the Year Ended 30 September 2022

Muhammadi Trust of GB & NI

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Muhammadi Trust of GB & NI

Reference and Administrative Details

Trustees	Ms K Z Fazil Mr S Z H Naqvi Mrs S K Rahman Mr M A Ramji
Principal Office	131 Walm Lane London NW2 3AU
Charity Registration Number	265673
Auditor	DSK Partners LLP Chartered Accountants & Statutory Auditors DS House 306 High Street Croydon CR0 1NG

Muhammadi Trust of GB & NI

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 September 2022.

Objectives and activities

Objects and aims

Use of Trust premises known as The Muhammadi Trust Centre.

Muhammadi Trust centre is used to facilitate programmes and serve the needs of the community and Trusts' objectives. The Trust has successfully managed to rent out parts of the building to Aim Foundation who are still there , after Zahra Trust and Safeer TV vacated the place. This enabled the Trust to ensure that there is someone at the centre at all times and it enhanced the building further. This also assisted in partially covering the day-to-day running expenses of the centre. Aim Foundation also hire the main hall downstairs during the month of Muharram for their Majalis this year.

Muhammadi Trust of GB & NI

Trustees' Report (continued)

Objectives, strategies and activities

Waadi Al Salaam (Cemetery)

The Trust has been offering burial service associated with the cemetery owned by the Trust. An internal subcommittee of Trustees and volunteers manage Waadi Al Salaam. The work at Waadi has progressed well and completed in 2018. Further work was carried out during Covid. Trust might order more slabs/ covers for the new graves. Waadi committee must get further estimates and get active in marketing the project and in turn selling of the graves.

The Centre at Walm Lane:

The roof at Walm lane needed changing and lot of repair work required at some places. Pointing is also required on the wall to assist water leak. The water is leaking in the rooms upstairs. The job is of decent size and currently the trust is looking for suitable architects and contractors to take on this project. All trustees have been requested to put their suggestions for contractors so a final decision can be made. Two or three quotes will be obtained from reputable companies to make sure that best quotes are available and works are done to satisfaction. Perhaps it will be a good idea to employ a project manager to ensure works are done professionally as none of the trustees have experience in this filed.

Religious Gatherings, Seminars & Lectures

The Trust is particularly proud to report the continuation of its annual commemorative programme even during these difficult times held mainly in Urdu during the first 10 days of the Islamic month of Muharram. Being on television during Covid-19 meant a larger audience including Europe. However, this year the activities were held at the trust and the gathering was not as large as expected. The trust could not do regular weekly gathering of prayers and supplications are held at the Centre on Thursdays for the spiritual needs of the community. This programme was missed a lot and the trust intends to start as soon as refurbishment work has been completed. peaceful and harmonious society.

Publications

The Trust has setup a publication subcommittee to look at the future publication requirements and has appointed a part time staff. The Trust continues to market its publications, for which worldwide orders are received through its website and some of the publications are well received by the universities offering courses in philosophy and religious studies. Some other religious institutes have also ordered books and the trustees are hoping to get more publications organised in the future. Lot of work has been delayed during Covid-19 but hopefully it will resumed soon. It is through publications and seminars that Muhammadi Trust is also known and well respected and has built strong connections with national and international academics. Therefore, waadi committee needs to finalise a book that can be published and benefit the community. Audio books will also be a good idea.

Public benefit

The Trust continues to facilitate lectures and seminars to create an awareness of, and also encourage, the ethos of peace, justice and equality for the society we live in. More of these activities need to be arranged once the refurbishment work has been completed.

It is hoped that through such endeavour, the publications of the Trust shall be suitably promoted, hence ensuring that the costs expended in their production is partly or fully recovered.

Muhammadi Trust of GB & NI

Trustees' Report (continued)

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.

Plans for future periods

Aims and key objectives for future periods

In line with its aims and objectives, the future plans of the Trust include, but are not restricted to:

1. Further equip the main hall for recording and digital projection facilities and continue the general maintenance work at the Centre at Walm Lane, London, NW2 3AU.
2. To start further works at Waadi, this will assist us to increase number of reservations of the graves.
3. Continue regular seminars and conferences, which take an intellectual approach to the theological, spiritual and social issues affecting our community in general and young people in particular.
4. Through the medium of interfaith dialogues, the Trust wishes to encourage greater understanding between different communities and religious believes. We hope such forums shall provide an arena for co-operation and unity based on knowledge and understanding.

Structure, governance and management

Nature of governing document

The Trust is governed by virtue of the Trust's previous and present governance document, which was updated on 20th March 2006. All meetings have a written Agenda for discussion and review of the Trust's activities and finances for an efficient management and progression of its objectives. The proceeding of these meetings are recorded, approved and filed in the Trust's office. However, during Covid-19 the management work has been carried out by e-mails and will hopefully return to face -to-face meetings once we can.

All trustees, have a generic responsibility for all matters related to the Trust. The board of Trustees consists of specialists in Education and different businesses. Hence, in relation to training, most of them are trained by their professional experience. The Trust has had two part time staff from which one part time staff responsible for publication, seminars and marketing and another part time staff for day- to- day activities at the trust including Hall Hire and upkeep of the Centre.

The annual report was approved by the trustees of the charity on 27 June 2023 and signed on its behalf by:



.....
Ms K Z Fazil
Trustee

Muhammadi Trust of GB & NI

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 27 June 2023 and signed on its behalf by:



.....
Ms K Z Fazil
Trustee

Muhammadi Trust of GB & NI

Independent Examiner's Report to the trustees of Muhammadi Trust of GB & NI

I report on the accounts of the charity for the year ended 30 September 2022 which are set out on pages 7 to 25.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

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

.....
Mr Dhirajlal Shah
Chartered Accountants & Statutory Auditors
DSK Partners LLP

DS House
306 High Street
Croydon
CR0 1NG

27 June 2023

Muhammadi Trust of GB & NI

Statement of Financial Activities for the Year Ended 30 September 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies		1,120	-	1,120
Investment income	4	39,128	-	39,128
Other income		26,509	-	26,509
Total income		66,757	-	66,757
Expenditure on:				
Raising funds		(42,053)	-	(42,053)
Charitable activities		(83,846)	-	(83,846)
Total expenditure		(125,899)	-	(125,899)
Net expenditure		(59,142)	-	(59,142)
Net movement in funds		(59,142)	-	(59,142)
Reconciliation of funds				
Total funds brought forward		2,056,737	11,847	2,068,584
Total funds carried forward	20	1,997,595	11,847	2,009,442

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies		308,056	-	308,056
Investment income	4	40,341	-	40,341
Other income		29,451	-	29,451
Total income		377,848	-	377,848
Expenditure on:				
Raising funds		(23,755)	-	(23,755)
Charitable activities		(66,761)	-	(66,761)
Total expenditure		(90,516)	-	(90,516)
Net income		287,332	-	287,332
Net movement in funds		287,332	-	287,332
Reconciliation of funds				
Total funds brought forward		1,769,405	11,847	1,781,252
Total funds carried forward	20	2,056,737	11,847	2,068,584

The notes on pages 10 to 25 form an integral part of these financial statements.

Muhammadi Trust of GB & NI

Statement of Financial Activities for the Year Ended 30 September 2022 (continued)

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2021 is shown in note 20.

Muhammadi Trust of GB & NI

(Registration number: 265673)

Statement of Financial Position as at 30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	1,188,971	1,140,615
Investments	14	<u>540,926</u>	<u>554,578</u>
		<u>1,729,897</u>	<u>1,695,193</u>
Current assets			
Stocks	15	159,600	164,640
Debtors	16	1,666	6,226
Cash at bank and in hand	17	<u>297,764</u>	<u>397,286</u>
		459,030	568,152
Creditors: Amounts falling due within one year	18	<u>(58,554)</u>	<u>(59,925)</u>
Net current assets		<u>400,476</u>	<u>508,227</u>
Total assets less current liabilities		2,130,373	2,203,420
Creditors: Amounts falling due after more than one year	19	<u>(120,931)</u>	<u>(134,836)</u>
Net assets		<u>2,009,442</u>	<u>2,068,584</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		11,847	11,847
Unrestricted income funds			
Unrestricted funds		<u>1,997,595</u>	<u>2,056,737</u>
Total funds	20	<u>2,009,442</u>	<u>2,068,584</u>

The financial statements on pages 7 to 25 were approved by the trustees, and authorised for issue on 27 June 2023 and signed on their behalf by:

kzehra

.....
Ms K Z Fazil
Trustee

The notes on pages 10 to 25 form an integral part of these financial statements.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

Exemption from preparing a cash flow statement

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Governance costs

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

Taxation

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

Tangible fixed assets

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

Depreciation and amortisation

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

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

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

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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.

Trade creditors

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

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

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

Borrowings

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

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

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees 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.

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.

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

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.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from individuals	1,120	1,120	308,056
	<u>1,120</u>	<u>1,120</u>	<u>308,056</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Waadi income	1,000	1,000	14,000
Book Sales	1,009	1,009	245
Hall Bookings	24,500	24,500	15,206
	<u>26,509</u>	<u>26,509</u>	<u>29,451</u>

4 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Other investment income	1,069	1,069	1,317
Income from rents	<u>38,059</u>	<u>38,059</u>	<u>39,024</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2022 £	Total 2021 £
Other direct costs of generating voluntary income		<u>37,013</u>	<u>37,013</u>	<u>10,315</u>

6 Expenditure on charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Waadi Expenses	21,065	21,065	1,225
Mujalis Expenses	<u>15,948</u>	<u>15,948</u>	<u>9,090</u>
	<u>37,013</u>	<u>37,013</u>	<u>10,315</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Staff costs			
Wages and salaries	22,575	22,575	17,052
Social security costs	70	70	143
Audit fees			
Other fees paid to auditors	3,034	3,034	1,462
Legal fees	507	507	-
Depreciation, amortisation and other similar costs	18,359	18,359	18,420
Other governance costs	39,301	39,301	29,684
	<u>83,846</u>	<u>83,846</u>	<u>66,761</u>

8 Net incoming/outgoing resources

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

	2022 £	2021 £
Depreciation of fixed assets	<u>18,359</u>	<u>18,420</u>

9 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	22,575	17,052
Social security costs	70	143
	<u>22,645</u>	<u>17,195</u>

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

	2022 No	2021 No
Administrative staff	<u>2</u>	<u>2</u>

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

11 Auditors' remuneration

	2022 £	2021 £
Other fees to auditors		
All other non-audit services	<u>3,034</u>	<u>1,462</u>

12 Taxation

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

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 October 2021	1,466,950	59,808	1,526,758
Additions	<u>66,715</u>	<u>-</u>	<u>66,715</u>
At 30 September 2022	<u>1,533,665</u>	<u>59,808</u>	<u>1,593,473</u>
Depreciation			
At 1 October 2021	329,371	56,772	386,143
Charge for the year	<u>17,904</u>	<u>455</u>	<u>18,359</u>
At 30 September 2022	<u>347,275</u>	<u>57,227</u>	<u>404,502</u>
Net book value			
At 30 September 2022	<u>1,186,390</u>	<u>2,581</u>	<u>1,188,971</u>
At 30 September 2021	<u>1,137,579</u>	<u>3,036</u>	<u>1,140,615</u>

Included within the net book value of land and buildings above is £1,186,390 (2021 - £1,137,579) in respect of freehold land and buildings and £Nil (2021 - £Nil) in respect of leaseholds.

14 Fixed asset investments

	2022 £	2021 £
Investment properties	468,250	468,250
Other investments	<u>72,676</u>	<u>86,328</u>
	<u>540,926</u>	<u>554,578</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

Investment properties

	Investment properties £
Cost or Valuation	
At 1 October 2021	<u>468,250</u>
Provision	
At 30 September 2022	<u>-</u>
Net book value	
At 30 September 2022	<u>468,250</u>
At 30 September 2021	<u>468,250</u>

Other investments

	Unlisted investments £	Total £
Cost or Valuation		
At 1 October 2021	86,328	86,328
Revaluation	<u>(13,652)</u>	<u>(13,652)</u>
At 30 September 2022	<u>72,676</u>	<u>72,676</u>
Net book value		
At 30 September 2022	<u>72,676</u>	<u>72,676</u>
At 30 September 2021	<u>86,328</u>	<u>86,328</u>

15 Stock

	2022 £	2021 £
Stocks	<u>159,600</u>	<u>164,640</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

16 Debtors

	2022 £	2021 £
Other debtors	1,666	6,226

17 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	513	374
Cash at bank	297,251	396,912
	297,764	397,286

18 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	15,763	14,527
Trade creditors	4,750	4,750
Other taxation and social security	1,339	866
Other creditors	4,702	7,782
Deferred income	32,000	32,000
	58,554	59,925

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2022 £	2021 £
Bank loans	15,763	14,527

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

19 Creditors: amounts falling due after one year

	2022	2021
	£	£
Bank loans	<u>120,931</u>	<u>134,836</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2022	2021
	£	£
Bank loans	<u>120,931</u>	<u>134,836</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

20 Funds

	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Balance at 30 September 2022 £
Unrestricted funds				
General	2,056,737	66,757	(125,899)	1,997,595
Restricted funds	<u>11,847</u>	<u>-</u>	<u>-</u>	<u>11,847</u>
Total funds	<u>2,068,584</u>	<u>66,757</u>	<u>(125,899)</u>	<u>2,009,442</u>
	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Balance at 30 September 2021 £
Unrestricted				
General	(1,769,405)	(377,848)	90,516	(2,056,737)
Restricted	<u>(11,847)</u>	<u>-</u>	<u>-</u>	<u>(11,847)</u>
Total funds	<u>(1,781,252)</u>	<u>(377,848)</u>	<u>90,516</u>	<u>(2,068,584)</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

21 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 30 September 2022 £
Tangible fixed assets	1,188,971	1,188,971
Fixed asset investments	540,926	540,926
Current assets	459,030	459,030
Current liabilities	(58,554)	(58,554)
Creditors over 1 year	(120,931)	(120,931)
Total net assets	<u>2,009,442</u>	<u>2,009,442</u>
	Unrestricted funds General £	Total funds at 30 September 2021 £
Tangible fixed assets	1,140,615	1,140,615
Fixed asset investments	554,578	554,578
Current assets	568,152	568,152
Current liabilities	(59,925)	(59,925)
Creditors over 1 year	(134,836)	(134,836)
Total net assets	<u>2,068,584</u>	<u>2,068,584</u>

22 Analysis of net funds

	At 1 October 2021 £
Cash at bank and in hand	397,286
Net debt	<u>397,286</u>
	At 1 October 2020 £
Cash at bank and in hand	90,855
Net debt	<u>90,855</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

At 30 September 2022
£
297,764
297,764

At 30 September 2021
£
397,286
397,286

MUHAMMADI TRUST OF GREAT BRITAIN AND NORTHERN IRELAND

England & Wales - Charity number 265673

Accounts

Charity registration number: 265673

Muhammadi Trust of GB & NI

Annual Report and Financial Statements

for the Year Ended 30 September 2021

Muhammadi Trust of GB & NI

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Muhammadi Trust of GB & NI

Reference and Administrative Details

Trustees	Ms K Z Fazil Mr S Z H Naqvi Mrs S K Rahman Mr M A Ramji
Principal Office	131 Walm Lane London NW2 3AU
Charity Registration Number	265673
Auditor	DSK Partners LLP Chartered Accountants & Statutory Auditors DS House 306 High Street Croydon CR0 1NG

Muhammadi Trust of GB & NI

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 September 2021.

Objectives and activities

Objects and aims

Use of Trust premises known as The Muhammadi Trust Centre

Muhammadi Trust centre is used to facilitate programmes and serve the needs of the community and Trusts' objectives. The Trust has successfully managed to rent out parts of the building to Aim Foundation after Zahra Trust and Safeer TV vacated the place. This enabled the Trust to ensure that there is someone at the centre at all times and it enhanced the building further. This also assisted in partially covering the day-to-day running expenses of the centre. Aim Foundation also hire the main hall downstairs during the month of Muharram for their Majalis. Its been very difficult to get sponsors for the boiler during Covid-19 and its been repaired, but the trust will now have to support the expenses

Muhammadi Trust of GB & NI

Trustees' Report

Objectives, strategies and activities

Waadi Al Salaam (Cemetery)

The Trust has been offering burial service associated with the cemetery owned by the Trust. An internal subcommittee of Trustees and volunteers manage Waadi Al Salaam. The work at Waadi has progressed well and completed in 2018. Once to satisfaction, the trust might construct to prove for more graves. Waadi committee must get active in marketing the project and in turn selling of the graves. More recent work has been done at the Waadi but further graves need to be made available therefore new quotes need to be obtained.

The Centre at Walm Lane:

The roof at Walm lane needs changing and repair at some places. Pointing is also required on the wall to assist water leak. The job is of decent size and currently the trust is looking for suitable architects and contractors to take on this project. Two or three quotes will be obtained from reputable companies to make sure that best quotes are available and works are done to satisfaction. Perhaps it will be a good idea to employ a project manager to ensure works are done professionally as none of the trustees have experience in this filed.

Religious Gatherings, Seminars & Lectures

Due to Covid-19, the Muharram Programme was televised on the Ahlaybait tv in September 2020. The speaker and Noha reciter from India and Pakistan participated well. The programme was taken well by the audience and we received compliments.

The Trust is particularly proud to report the continuation of its annual commemorative programme even during these difficult times held mainly in Urdu during the first 10 days of the Islamic month of Muharram. Being on television during Covid-19 meant a larger audience including Europe. The trust could not do regular weekly gathering of prayers and supplications are held at the Centre on Thursdays for the spiritual needs of the community. This programme was missed a lot and the trust intends to start as soon as its safe to do so following the government guidance. Through active involvement of Mrs. Rahman, the Chairperson, the Trust is member of Christian Muslim Forum and various national interfaith organizations. On behalf of the Trust she is also an elected Vice Chair of MINAB (Mosques and Imam's National advisory Board), which was set up to raise the standards, and to actively encourage young people and women involvement in the mosques and religious centres to meet the challenges of our time. All the programmes have been effected due to COVID -19 but the Trustees are hopeful that in future these programmes will promote and create a balanced, peaceful and harmonious society.

Publications

The Trust has setup a publication subcommittee to look at the future publication requirements and has appointed a part time staff. The Trust continues to market its publications, for which worldwide orders are received through its website and some of the publications are well received by the universities offering courses in philosophy and religious studies. Some other religious institutes have also ordered books and the trustees are hoping to get more publications organised in the future. Lot of work has been delayed during Covid-19 but hopefully it will resumed soon. It is through publications and seminars that Muhammadi Trust is also known and well respected and has built strong connections with national and international academics.

Muhammadi Trust of GB & NI

Trustees' Report

Public benefit

The Trust continues to facilitate lectures and seminars to create an awareness of, and also encourage, the ethos of peace, justice and equality for the society we live in. Only a few of these gathering could happen before Covid-19 but we will continue to do so in the near future.

It is hoped that through such endeavour, the publications of the Trust shall be suitably promoted, hence ensuring that the costs expended in their production is partly or fully recovered.

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.

Plans for future periods

Aims and key objectives for future periods

In line with its aims and objectives, the future plans of the Trust include, but are not restricted to:

1. Further equip the main hall for recording and digital projection facilities and continue the general maintenance work at the Centre at Walm Lane, London, NW2 3AU.
2. To complete the works at Waadi with a view to increase reservations of the graves, followed by further works once enough revenue is generated.
3. Continue regular seminars and conferences, which take an intellectual approach to the theological, spiritual and social issues affecting our community in general and young people in particular.
4. We hope to provide a forum for the Youth where they can gain knowledge on issues that affect them. Such seminars shall be geared towards enhancing both the spiritual and academic faculties.
5. Through the medium of interfaith dialogues, the Trust wishes to encourage a greater understanding between different communities. We hope such forums shall provide an arena for co-operation and unity based on knowledge and understanding.

Financial review

The income and net outgoing of resources have been reflected in the audited accounts of this year. During the year the trust has seen a net incoming of resources of £287,331 (2020 - £16,495)

Muhammadi Trust of GB & NI

Trustees' Report

Structure, governance and management

Nature of governing document

The Trust is governed by virtue of the Trust's previous and present governance document, which was updated on 20th March 2006. All meetings have a written Agenda for discussion and review of the Trust's activities and finances for an efficient management and progression of its objectives. The proceeding of these meetings are recorded, approved and filed in the Trust's office. However, during Covid-19 the management work has been carried out by e-mails and will hopefully return to face -to-face meetings once we can.

Ms. K Z Fazil has managed the overall finance of the Trust together with all the Trustees through e-mails communications. Everyone has a generic responsibility for all matters related to the Trust. The board of Trustees consists of specialists in Education, Business and Property Management. Hence, in relation to training, most of them are trained by their professional experience. The Trust has had one part time staff responsible for publication, seminars and marketing and another part time staff for day-to-day activities at the trust including Hall Hire employed and upkeep of the Centre.

Muhammadi Trust of GB & NI

Trustees' Report

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on 27 July 2022 and signed on its behalf by:

kzehra

.....
Ms K Z Fazil
Trustee

Muhammadi Trust of GB & NI

Independent Examiner's Report to the trustees of Muhammadi Trust of GB & NI

I report on the accounts of the charity for the year ended 30 September 2021 which are set out on pages 8 to 25.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of DSK Partners LLP.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

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

.....
Mr Dhirajlal Shah
Chartered Accountants & Statutory Auditors
DSK Partners LLP

DS House
306 High Street
Croydon
CR0 1NG

28 July 2022

Muhammadi Trust of GB & NI

Statement of Financial Activities for the Year Ended 30 September 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies		308,056	-	308,056
Investment income	4	40,341	-	40,341
Other income		29,451	-	29,451
Total income		<u>377,848</u>	<u>-</u>	<u>377,848</u>
Expenditure on:				
Raising funds		(23,755)	-	(23,755)
Charitable activities		<u>(66,761)</u>	<u>-</u>	<u>(66,761)</u>
Total expenditure		<u>(90,516)</u>	<u>-</u>	<u>(90,516)</u>
Net income		<u>287,332</u>	<u>-</u>	<u>287,332</u>
Net movement in funds		287,332	-	287,332
Reconciliation of funds				
Total funds brought forward		<u>1,769,405</u>	<u>11,847</u>	<u>1,781,252</u>
Total funds carried forward	20	<u>2,056,737</u>	<u>11,847</u>	<u>2,068,584</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies		12,547	-	12,547
Investment income	4	44,497	-	44,497
Other income		58,904	-	58,904
Total income		<u>115,948</u>	<u>-</u>	<u>115,948</u>
Expenditure on:				
Raising funds		(34,003)	-	(34,003)
Charitable activities		<u>(65,450)</u>	<u>-</u>	<u>(65,450)</u>
Total expenditure		<u>(99,453)</u>	<u>-</u>	<u>(99,453)</u>
Net income		<u>16,495</u>	<u>-</u>	<u>16,495</u>
Net movement in funds		16,495	-	16,495
Reconciliation of funds				
Total funds brought forward		<u>1,752,910</u>	<u>11,847</u>	<u>1,764,757</u>
Total funds carried forward	20	<u>1,769,405</u>	<u>11,847</u>	<u>1,781,252</u>

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

The funds breakdown for 2020 is shown in note 20.

The notes on pages 10 to 25 form an integral part of these financial statements.

Muhammadi Trust of GB & NI

(Registration number: 265673)

Statement of Financial Position as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,140,615	1,159,035
Investments	14	<u>554,578</u>	<u>553,188</u>
		<u>1,695,193</u>	<u>1,712,223</u>
Current assets			
Stocks	15	164,640	178,080
Debtors	16	6,226	6,112
Cash at bank and in hand	17	<u>397,286</u>	<u>90,855</u>
		568,152	275,047
Creditors: Amounts falling due within one year	18	<u>(59,925)</u>	<u>(58,946)</u>
Net current assets		<u>508,227</u>	<u>216,101</u>
Total assets less current liabilities		2,203,420	1,928,324
Creditors: Amounts falling due after more than one year	19	<u>(134,836)</u>	<u>(147,072)</u>
Net assets		<u>2,068,584</u>	<u>1,781,252</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		11,847	11,847
Unrestricted income funds			
Unrestricted funds		<u>2,056,737</u>	<u>1,769,405</u>
Total funds	20	<u>2,068,584</u>	<u>1,781,252</u>

The financial statements on pages 8 to 25 were approved by the trustees, and authorised for issue on 27 July 2022 and signed on their behalf by:

kzehra

.....
Ms K Z Fazil
Trustee

The notes on pages 10 to 25 form an integral part of these financial statements.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

Exemption from preparing a cash flow statement

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Taxation

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

Tangible fixed assets

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

Depreciation and amortisation

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

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

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

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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.

Trade creditors

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

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

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

Borrowings

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

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

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

Fund structure

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

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.

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.

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

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.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations from individuals	308,056	308,056	12,547
	<u>308,056</u>	<u>308,056</u>	<u>12,547</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Waadi income	14,000	14,000	46,500
Book Sales	245	245	500
Hall Bookings	15,206	15,206	11,904
	<u>29,451</u>	<u>29,451</u>	<u>58,904</u>

4 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Other investment income	1,317	1,317	1,572
Income from rents	39,024	39,024	42,925
	<u>39,024</u>	<u>39,024</u>	<u>42,925</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2021 £	Total 2020 £
Other direct costs of generating voluntary income		<u>10,315</u>	<u>10,315</u>	<u>20,563</u>

6 Expenditure on charitable activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Waadi Expenses	1,225	1,225	10,025
Mujalis Expenses	<u>9,090</u>	<u>9,090</u>	<u>10,538</u>
	<u>10,315</u>	<u>10,315</u>	<u>20,563</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Staff costs			
Wages and salaries	17,052	17,052	16,910
Social security costs	143	143	139
Audit fees			
Other fees paid to auditors	1,462	1,462	3,629
Legal fees	-	-	485
Depreciation, amortisation and other similar costs	18,420	18,420	18,880
Other governance costs	29,684	29,684	25,407
	<u>66,761</u>	<u>66,761</u>	<u>65,450</u>

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>18,420</u>	<u>18,880</u>

9 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	17,052	16,910
Social security costs	143	139
	<u>17,195</u>	<u>17,049</u>

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

	2021 No	2020 No
Administrative staff	<u>2</u>	<u>2</u>

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

11 Auditors' remuneration

	2021 £	2020 £
Other fees to auditors		
All other non-audit services	<u>1,462</u>	<u>3,629</u>

12 Taxation

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

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 October 2020	<u>1,466,950</u>	<u>59,808</u>	<u>1,526,758</u>
At 30 September 2021	<u>1,466,950</u>	<u>59,808</u>	<u>1,526,758</u>
Depreciation			
At 1 October 2020	311,486	56,237	367,723
Charge for the year	<u>17,885</u>	<u>535</u>	<u>18,420</u>
At 30 September 2021	<u>329,371</u>	<u>56,772</u>	<u>386,143</u>
Net book value			
At 30 September 2021	<u>1,137,579</u>	<u>3,036</u>	<u>1,140,615</u>
At 30 September 2020	<u>1,155,464</u>	<u>3,571</u>	<u>1,159,035</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

Included within the net book value of land and buildings above is £1,137,579 (2020 - £1,155,464) in respect of freehold land and buildings and £Nil (2020 - £Nil) in respect of leaseholds.

14 Fixed asset investments

	2021 £	2020 £
Investment properties	468,250	468,250
Other investments	86,328	84,938
	<u>554,578</u>	<u>553,188</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

Investment properties

	Investment properties £
Cost or Valuation	
At 1 October 2020	<u>468,250</u>
Provision	
At 30 September 2021	<u>-</u>
Net book value	
At 30 September 2021	<u>468,250</u>
At 30 September 2020	<u>468,250</u>

Other investments

	Unlisted investments £	Total £
Cost or Valuation		
At 1 October 2020	84,938	84,938
Revaluation	<u>1,390</u>	<u>1,390</u>
At 30 September 2021	<u>86,328</u>	<u>86,328</u>
Net book value		
At 30 September 2021	<u>86,328</u>	<u>86,328</u>
At 30 September 2020	<u>84,938</u>	<u>84,938</u>

15 Stock

	2021 £	2020 £
Stocks	<u>164,640</u>	<u>178,080</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

16 Debtors

	2021 £	2020 £
Other debtors	<u>6,226</u>	<u>6,112</u>

17 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	374	441
Cash at bank	<u>396,912</u>	<u>90,414</u>
	<u>397,286</u>	<u>90,855</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	14,527	15,105
Trade creditors	4,750	4,750
Other taxation and social security	866	610
Other creditors	7,782	6,481
Deferred income	32,000	32,000
	<u>59,925</u>	<u>58,946</u>

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2021 £	2020 £
Bank loans	<u>14,527</u>	<u>15,105</u>

19 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	<u>134,836</u>	<u>147,072</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2021 £	2020 £
Bank loans	<u>134,836</u>	<u>147,072</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

20 Funds

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Balance at 30 September 2021 £
Unrestricted funds				
General	1,769,405	377,848	(90,516)	2,056,737
Restricted funds	<u>11,847</u>	<u>-</u>	<u>-</u>	<u>11,847</u>
Total funds	<u>1,781,252</u>	<u>377,848</u>	<u>(90,516)</u>	<u>2,068,584</u>
	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Balance at 30 September 2020 £
Unrestricted				
General	(1,752,910)	(115,948)	99,453	(1,769,405)
Restricted	<u>(11,847)</u>	<u>-</u>	<u>-</u>	<u>(11,847)</u>
Total funds	<u>(1,764,757)</u>	<u>(115,948)</u>	<u>99,453</u>	<u>(1,781,252)</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2021

21 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 30 September 2021 £
Tangible fixed assets	1,140,615	1,140,615
Fixed asset investments	554,578	554,578
Current assets	568,152	568,152
Current liabilities	(59,925)	(59,925)
Creditors over 1 year	(134,836)	(134,836)
Total net assets	<u>2,068,584</u>	<u>2,068,584</u>
	Unrestricted funds General £	Total funds at 30 September 2020 £
Tangible fixed assets	1,159,035	1,159,035
Fixed asset investments	553,188	553,188
Current assets	275,047	275,047
Current liabilities	(58,946)	(58,946)
Creditors over 1 year	(147,072)	(147,072)
Total net assets	<u>1,781,252</u>	<u>1,781,252</u>

22 Analysis of net funds

	At 1 October 2020 £	At 30 September 2021 £
Cash at bank and in hand	<u>90,855</u>	<u>90,855</u>
Net debt	<u>90,855</u>	<u>90,855</u>
	At 1 October 2019 £	At 30 September 2020 £
Cash at bank and in hand	<u>57,149</u>	<u>57,149</u>
Net debt	<u>57,149</u>	<u>57,149</u>

Muhammadi Trust of GB & NI

Statement of Financial Activities by fund for the Year Ended 30 September 2021

	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
Income and Endowments from:		
Donations and legacies	308,056	12,547
Investment income	40,341	44,497
Other income	29,451	58,904
Total income	<u>377,848</u>	<u>115,948</u>
Expenditure on:		
Raising funds	(23,755)	(34,003)
Charitable activities	<u>(66,761)</u>	<u>(65,450)</u>
Total expenditure	<u>(90,516)</u>	<u>(99,453)</u>
Net income	<u>287,332</u>	<u>16,495</u>
Net movement in funds	287,332	16,495
Reconciliation of funds		
Total funds brought forward	<u>1,769,405</u>	<u>1,752,910</u>
Total funds carried forward	<u><u>2,056,737</u></u>	<u><u>1,769,405</u></u>

Muhammadi Trust of GB & NI

Statement of Financial Activities by fund for the Year Ended 30 September 2021

	Total Restricted Funds 2021 £	Total Restricted Funds 2020 £
Income and Endowments from:		
Expenditure on:		
Net income/(expenditure)	-	-
Reconciliation of funds		
Total funds brought forward	11,847	11,847
Total funds carried forward	11,847	11,847

Muhammadi Trust of GB & NI

Detailed Statement of Financial Activities for the Year Ended 30 September 2021

	Total 2021 £	Total 2020 £
Income and Endowments from:		
Donations and legacies (analysed below)	308,056	12,547
Investment income (analysed below)	40,341	44,497
Other income (analysed below)	29,451	58,904
Total income	377,848	115,948
Expenditure on:		
Raising funds (analysed below)	(23,755)	(34,003)
Charitable activities (analysed below)	(66,761)	(65,450)
Total expenditure	(90,516)	(99,453)
Net income	287,332	16,495
Net movement in funds	287,332	16,495
Reconciliation of funds		
Total funds brought forward	1,781,252	1,764,757
Total funds carried forward	2,068,584	1,781,252

Muhammadi Trust of GB & NI

Detailed Statement of Financial Activities for the Year Ended 30 September 2021

	Total 2021 £	Total 2020 £
<i>Donations and legacies</i>		
Appeals and donations	308,056	12,547
	<u>308,056</u>	<u>12,547</u>
<i>Investment income</i>		
Income from investment properties	39,024	42,925
Income from other investments	1,317	1,572
	<u>40,341</u>	<u>44,497</u>
<i>Other income</i>		
Other income - Waadi income	14,000	46,500
Other income - Book sales	245	500
Other income - Hall bookings	15,206	11,904
	<u>29,451</u>	<u>58,904</u>
<i>Raising funds</i>		
Other fundraising costs - Waadi expenses	(1,225)	(10,025)
Other fundraising costs - Mujalis expenses	(9,090)	(10,538)
Opening stock	(178,080)	(191,520)
Closing stock	164,640	178,080
	<u>(23,755)</u>	<u>(34,003)</u>
<i>Charitable activities</i>		
Wages and salaries	(17,052)	(16,910)
Staff NIC (Employers)	(143)	(139)
Rates	(1,391)	(1,456)
Light, heat and power	(1,870)	(1,161)
Insurance	(4,178)	(4,643)
Repairs and maintenance	(17,855)	(7,594)
Telephone and fax	(1,572)	(1,819)
Office expenses	(377)	(510)
Computer software and maintenance costs	(350)	(300)
Printing, postage and stationery	-	(1)
Cleaning	(956)	(1,758)
Travel and subsistence	(20)	(1,177)
Accountancy fees	(1,462)	(3,629)
Legal and professional fees	-	(485)
Bank charges	(792)	(903)
Loan interest	(1,713)	(3,246)
Depreciation of freehold property	(17,885)	(18,250)

This page does not form part of the statutory financial statements.

Muhammadi Trust of GB & NI

Detailed Statement of Financial Activities for the Year Ended 30 September 2021

	Total 2021 £	Total 2020 £
Depreciation of fixtures and fittings	(85)	(100)
Depreciation of office equipment	(450)	(530)
(Gain)/loss on UK investments	1,390	(839)
	<u>(66,761)</u>	<u>(65,450)</u>

MUHAMMADI TRUST OF GREAT BRITAIN AND NORTHERN IRELAND

England & Wales - Charity number 265673

Accounts

Charity registration number: 265673

Muhammadi Trust of GB & NI

Annual Report and Financial Statements

for the Year Ended 30 September 2020

Muhammadi Trust of GB & NI

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Muhammadi Trust of GB & NI

Reference and Administrative Details

Trustees	Ms K Z Fazil Dr M E Mesbahi Mr S Z H Naqvi Mrs S K Rahman Mr M A Ramji Mr S M R Shabbar
Principal Office	131 Walm Lane London NW2 3AU
Charity Registration Number	265673
Auditor	DSK Partners LLP Chartered Accountants & Statutory Auditors DS House 306 High Street Croydon CR0 1NG

Muhammadi Trust of GB & NI

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 30 September 2020.

Objectives and activities

Objects and aims

Use of Trust premises known as The Muhammadi Trust Centre

Muhammadi Trust centre is used to facilitate programmes and serve the needs of the community and Trusts' objectives. The Trust has successfully managed to rent out parts of the building to Aim Foundation after Zahra Trust and Safeer TV vacated the place. This enabled the Trust to ensure that there is someone at the centre at all times and it enhanced the building further. This also assisted in partially covering the day-to-day running expenses of the centre. Aim Foundation also hire the main hall downstairs during the month of Muharram for their Majalis. Its been very difficult to get sponsors for the boiler during Covid-19 and its been repaired, but the trust will now have to support the expenses

Muhammadi Trust of GB & NI

Trustees' Report

Objectives, strategies and activities

Waadi Al Salaam (Cemetery)

The Trust has been offering burial service associated with the cemetery owned by the Trust. An internal subcommittee of Trustees and volunteers manage Waadi Al Salaam. The work at Waadi has progressed well and completed in 2018. Once to satisfaction, the trust might construct to prove for more graves. Waadi committee must get active in marketing the project and in turn selling of the graves. More recent work has been done at the Waadi but further graves need to be made available therefore new quotes need to be obtained.

Religious Gatherings, Seminars & Lectures

Due to Covid-19, the Muharram Programme was televised on the Ahlaybait tv in September 2020. The speaker and Noha reciter from India and Pakistan participated well. The programme was taken well by the audience and we received compliments.

The Trust is particularly proud to report the continuation of its annual commemorative programme even during these difficult times held mainly in Urdu during the first 10 days of the Islamic month of Muharram. Being on television during Covid-19 meant a larger audience including Europe. The trust could not do regular weekly gathering of prayers and supplications are held at the Centre on Thursdays for the spiritual needs of the community. This programme was missed a lot and the trust intends to start as soon as its safe to do so following the government guidance. Through active involvement of Mrs. Rahman, the Chairperson, the Trust is member of Christian Muslim Forum and various national interfaith organizations. On behalf of the Trust she is also an elected Vice Chair of MINAB (Mosques and Imam's National advisory Board), which was set up to raise the standards, and to actively encourage young people and women involvement in the mosques and religious centres to meet the challenges of our time. All the programmes have been effected due to COVID -19 but the Trustees are hopeful that in future these programmes will promote and create a balanced, peaceful and harmonious society.

Publications

The Trust has setup a publication subcommittee to look at the future publication requirements and has appointed a part time staff. The Trust continues to market its publications, for which worldwide orders are received through its website and some of the publications are well received by the universities offering courses in philosophy and religious studies. Some other religious institutes have also ordered books and the trustees are hoping to get more publications organised in the future. Lot of work has been delayed during Covid-19 but hopefully it will resumed soon. It is through publications and seminars that Muhammadi Trust is also known and well respected and has built strong connections with national and international academics.

Public benefit

The Trust continues to facilitate lectures and seminars to create an awareness of, and also encourage, the ethos of peace, justice and equality for the society we live in. Only a few of these gathering could happen before Covid-19 but we will continue to do so in the near future.

It is hoped that through such endeavour, the publications of the Trust shall be suitably promoted, hence ensuring that the costs expended in their production is partly or fully recovered.

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.

Muhammadi Trust of GB & NI

Trustees' Report

Financial review

The income and net outgoing of resources have been reflected in the audited accounts of this year. During the year the trust has seen a net incoming of resources of £16,495 (2019 - £4,263)

Plans for future periods

Aims and key objectives for future periods

In line with its aims and objectives, the future plans of the Trust include, but are not restricted to:

1. Further equip the main hall for recording and digital projection facilities and continue the general maintenance work at the Centre at Walm Lane, London, NW2 3AU.
2. To complete the works at Waadi with a view to increase reservations of the graves, followed by further works once enough revenue is generated.
3. Continue regular seminars and conferences, which take an intellectual approach to the theological, spiritual and social issues affecting our community in general and young people in particular.
4. We hope to provide a forum for the Youth where they can gain knowledge on issues that affect them. Such seminars shall be geared towards enhancing both the spiritual and academic faculties.
5. Through the medium of interfaith dialogues, the Trust wishes to encourage a greater understanding between different communities. We hope such forums shall provide an arena for co-operation and unity based on knowledge and understanding.

Structure, governance and management

Nature of governing document

The Trust is governed by virtue of the Trust's previous and present governance document, which was updated on 20th March 2006. All meetings have a written Agenda for discussion and review of the Trust's activities and finances for an efficient management and progression of its objectives. The proceeding of these meetings are recorded, approved and filed in the Trust's office. However, during Covid-19 the management work has been carried out by e-mails and will hopefully return to face -to-face meetings once we can.

Ms. K Z Fazil has managed the overall finance of the Trust together with all the Trustees through e-mails communications. Everyone has a generic responsibility for all matters related to the Trust. The board of Trustees consists of specialists in Education, Business and Property Management. Hence, in relation to training, most of them are trained by their professional experience. The Trust has had one part time staff responsible for publication, seminars and marketing and another part time staff for day-to-day activities at the trust including Hall Hire employed and upkeep of the Centre.

The annual report was approved by the trustees of the charity on 3/12/21..... and signed on its behalf by:

Muhammadi Trust of GB & NI

Trustees' Report


.....
Ms K Z Fazil
Trustee

02/21

Muhammadi Trust of GB & NI

Statement of Trustees' Responsibilities

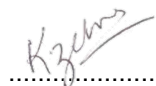
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 3/12/21..... and signed on its behalf by:



.....
Ms K Z Fazil
Trustee

Muhammadi Trust of GB & NI

Independent Examiner's Report to the trustees of Muhammadi Trust of GB & NI

I report on the accounts of the charity for the year ended 30 September 2020 which are set out on pages 8 to 25.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

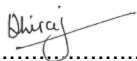
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

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



.....
Mr Dhirajlal Shah
Chartered Accountants & Statutory Auditors
DSK Partners LLP

DS House
306 High Street
Croydon
CR0 1NG

Date: 3/12/21

Muhammadi Trust of GB & NI

Statement of Financial Activities for the Year Ended 30 September 2020

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies		12,547	-	12,547
Investment income	4	44,497	-	44,497
Other income		58,904	-	58,904
Total income		115,948	-	115,948
Expenditure on:				
Raising funds		(34,003)	-	(34,003)
Charitable activities		(65,450)	-	(65,450)
Total expenditure		(99,453)	-	(99,453)
Net income		16,495	-	16,495
Net movement in funds		16,495	-	16,495
Reconciliation of funds				
Total funds brought forward		1,752,910	11,847	1,764,757
Total funds carried forward	20	1,769,405	11,847	1,781,252
		Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies		26,061	-	26,061
Investment income	4	47,226	-	47,226
Other income		57,290	-	57,290
Total income		130,577	-	130,577
Expenditure on:				
Raising funds		(60,096)	-	(60,096)
Charitable activities		(66,218)	-	(66,218)
Total expenditure		(126,314)	-	(126,314)
Net income		4,263	-	4,263
Net movement in funds		4,263	-	4,263
Reconciliation of funds				
Total funds brought forward		1,748,647	11,847	1,760,494
Total funds carried forward	20	1,752,910	11,847	1,764,757

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2019 is shown in note 20.

Muhammadi Trust of GB & NI

(Registration number: 265673)

Statement of Financial Position as at 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,159,035	1,177,915
Investments	14	<u>553,188</u>	<u>554,027</u>
		<u>1,712,223</u>	<u>1,731,942</u>
Current assets			
Stocks	15	178,080	191,520
Debtors	16	6,112	1,636
Cash at bank and in hand	17	<u>90,855</u>	<u>57,149</u>
		275,047	250,305
Creditors: Amounts falling due within one year	18	<u>(58,946)</u>	<u>(58,848)</u>
Net current assets		<u>216,101</u>	<u>191,457</u>
Total assets less current liabilities		1,928,324	1,923,399
Creditors: Amounts falling due after more than one year	19	<u>(147,072)</u>	<u>(158,642)</u>
Net assets		<u>1,781,252</u>	<u>1,764,757</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		11,847	11,847
Unrestricted income funds			
Unrestricted funds		<u>1,769,405</u>	<u>1,752,910</u>
Total funds	20	<u>1,781,252</u>	<u>1,764,757</u>

The financial statements on pages 8 to 25 were approved by the trustees, and authorised for issue on 3/12/21 and signed on their behalf by:



 Ms K Z Fazil
 Trustee

3/12/21

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

Exemption from preparing a cash flow statement

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

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.

3/12/ text here

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Taxation

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

Tangible fixed assets

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

Depreciation and amortisation

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

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

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

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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.

Trade creditors

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

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

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

Borrowings

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

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

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

Fund structure

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

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.

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.

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

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.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

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.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Donations and legacies;			
Donations from individuals	12,547	12,547	26,061
	<u>12,547</u>	<u>12,547</u>	<u>26,061</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Waadi income	46,500	46,500	45,750
Book Sales	500	500	740
Hall Bookings	11,904	11,904	10,800
	<u>58,904</u>	<u>58,904</u>	<u>57,290</u>

4 Investment income

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Other investment income	1,572	1,572	2,023
Income from rents	42,925	42,925	45,203
	<u>42,925</u>	<u>42,925</u>	<u>45,203</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2020 £	Total 2019 £
Other direct costs of generating voluntary income		<u>20,563</u>	<u>20,563</u>	<u>38,896</u>

6 Expenditure on charitable activities

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Waadi Expenses	10,025	10,025	3,044
Publication Expenses	-	-	60
Mujalis Expenses	<u>10,538</u>	<u>10,538</u>	<u>35,792</u>
	<u>20,563</u>	<u>20,563</u>	<u>38,896</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Staff costs			
Wages and salaries	16,910	16,910	16,714
Social security costs	139	139	-
Audit fees			
Audit of the financial statements	-	-	1,920
Other fees paid to auditors	3,629	3,629	1,709
Legal fees	485	485	-
Depreciation, amortisation and other similar costs	18,880	18,880	19,363
Other governance costs	25,407	25,407	26,512
	<u>65,450</u>	<u>65,450</u>	<u>66,218</u>

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2020 £	2019 £
Audit fees	-	1,920
Depreciation of fixed assets	<u>18,880</u>	<u>19,363</u>

9 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

10 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	16,910	16,714
Social security costs	139	-
	<u>17,049</u>	<u>16,714</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:

	2020 No	2019 No
Administrative staff	<u>2</u>	<u>2</u>

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

11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>-</u>	<u>1,920</u>
Other fees to auditors		
All other non-audit services	<u>3,629</u>	<u>1,709</u>

12 Taxation

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

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 October 2019	<u>1,466,950</u>	<u>59,808</u>	<u>1,526,758</u>
At 30 September 2020	<u>1,466,950</u>	<u>59,808</u>	<u>1,526,758</u>
Depreciation			
At 1 October 2019	293,236	55,607	348,843
Charge for the year	<u>18,250</u>	<u>630</u>	<u>18,880</u>
At 30 September 2020	<u>311,486</u>	<u>56,237</u>	<u>367,723</u>
Net book value			
At 30 September 2020	<u>1,155,464</u>	<u>3,571</u>	<u>1,159,035</u>
At 30 September 2019	<u>1,173,714</u>	<u>4,201</u>	<u>1,177,915</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

Included within the net book value of land and buildings above is £1,155,464 (2019 - £1,173,714) in respect of freehold land and buildings and £Nil (2019 - £Nil) in respect of leaseholds.

14 Fixed asset investments

	2020 £	2019 £
Investment properties	468,250	468,250
Other investments	84,938	85,777
	<u>553,188</u>	<u>554,027</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

Investment properties

	Investment properties £
Cost or Valuation	
At 1 October 2019	<u>468,250</u>
Provision	
At 30 September 2020	<u>-</u>
Net book value	
At 30 September 2020	<u>468,250</u>
At 30 September 2019	<u>468,250</u>

Other investments

	Unlisted investments £	Total £
Cost or Valuation		
At 1 October 2019	85,777	85,777
Revaluation	<u>(839)</u>	<u>(839)</u>
At 30 September 2020	<u>84,938</u>	<u>84,938</u>
Net book value		
At 30 September 2020	<u>84,938</u>	<u>84,938</u>
At 30 September 2019	<u>85,777</u>	<u>85,777</u>

15 Stock

	2020 £	2019 £
Stocks	<u>178,080</u>	<u>191,520</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

16 Debtors

	2020 £	2019 £
Other debtors	<u>6,112</u>	<u>1,636</u>

17 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	441	299
Cash at bank	<u>90,414</u>	<u>56,850</u>
	<u>90,855</u>	<u>57,149</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

18 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	15,105	15,105
Trade creditors	4,750	4,750
Other taxation and social security	610	318
Other creditors	6,481	6,675
Deferred income	32,000	32,000
	<u>58,946</u>	<u>58,848</u>

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2020 £	2019 £
Bank loans	<u>15,105</u>	<u>15,105</u>

19 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	<u>147,072</u>	<u>158,642</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2020 £	2019 £
Bank loans	<u>147,072</u>	<u>158,642</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

20 Funds

	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Balance at 30 September 2020 £
Unrestricted funds				
General	1,752,910	115,948	(99,453)	1,769,405
Restricted funds	<u>11,847</u>	<u>-</u>	<u>-</u>	<u>11,847</u>
Total funds	<u>1,764,757</u>	<u>115,948</u>	<u>(99,453)</u>	<u>1,781,252</u>
	Balance at 1 October 2018 £	Incoming resources £	Resources expended £	Balance at 30 September 2019 £
Unrestricted				
General	(1,748,647)	(130,577)	126,314	(1,752,910)
Restricted	<u>(11,847)</u>	<u>-</u>	<u>-</u>	<u>(11,847)</u>
Total funds	<u>(1,760,494)</u>	<u>(130,577)</u>	<u>126,314</u>	<u>(1,764,757)</u>

Muhammadi Trust of GB & NI

Notes to the Financial Statements for the Year Ended 30 September 2020

21 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 30 September 2020 £
Tangible fixed assets	1,159,035	1,159,035
Fixed asset investments	553,188	553,188
Current assets	275,047	275,047
Current liabilities	(58,946)	(58,946)
Creditors over 1 year	(147,072)	(147,072)
Total net assets	<u>1,781,252</u>	<u>1,781,252</u>

	Unrestricted funds General £	Total funds at 30 September 2019 £
Tangible fixed assets	1,177,915	1,177,915
Fixed asset investments	554,027	554,027
Current assets	250,305	250,305
Current liabilities	(58,848)	(58,848)
Creditors over 1 year	(158,642)	(158,642)
Total net assets	<u>1,764,757</u>	<u>1,764,757</u>

22 Analysis of net funds

	At 1 October 2019 £	At 30 September 2020 £
Cash at bank and in hand	<u>57,149</u>	<u>57,149</u>
Net debt	<u>57,149</u>	<u>57,149</u>

	At 1 October 2018 £	At 30 September 2019 £
Cash at bank and in hand	<u>33,911</u>	<u>33,911</u>
Net debt	<u>33,911</u>	<u>33,911</u>

Muhammadi Trust of GB & NI

Statement of Financial Activities by fund for the Year Ended 30 September 2020

	Total Unrestricted Funds 2020 £	Total Unrestricted Funds 2019 £
Income and Endowments from:		
Donations and legacies	12,547	26,061
Investment income	44,497	47,226
Other income	58,904	57,290
Total income	115,948	130,577
Expenditure on:		
Raising funds	(34,003)	(60,096)
Charitable activities	(65,450)	(66,218)
Total expenditure	(99,453)	(126,314)
Net income	16,495	4,263
Net movement in funds	16,495	4,263
Reconciliation of funds		
Total funds brought forward	1,752,910	1,748,647
Total funds carried forward	1,769,405	1,752,910

Muhammadi Trust of GB & NI

Statement of Financial Activities by fund for the Year Ended 30 September 2020

	Total Restricted Funds 2020 £	Total Restricted Funds 2019 £
Income and Endowments from:		
Expenditure on:		
Net income/(expenditure)	-	-
Reconciliation of funds		
Total funds brought forward	<u>11,847</u>	<u>11,847</u>
Total funds carried forward	<u>11,847</u>	<u>11,847</u>

Muhammadi Trust of GB & NI

Detailed Statement of Financial Activities for the Year Ended 30 September 2020

	Total 2020 £	Total 2019 £
Income and Endowments from:		
Donations and legacies (analysed below)	12,547	26,061
Investment income (analysed below)	44,497	47,226
Other income (analysed below)	58,904	57,290
Total income	115,948	130,577
Expenditure on:		
Raising funds (analysed below)	(34,003)	(60,096)
Charitable activities (analysed below)	(65,450)	(66,218)
Total expenditure	(99,453)	(126,314)
Net income	16,495	4,263
Net movement in funds	16,495	4,263
Reconciliation of funds		
Total funds brought forward	1,764,757	1,760,494
Total funds carried forward	1,781,252	1,764,757

Muhammadi Trust of GB & NI

Detailed Statement of Financial Activities for the Year Ended 30 September 2020

	Total 2020 £	Total 2019 £
<i>Donations and legacies</i>		
Appeals and donations	12,547	26,061
	<u>12,547</u>	<u>26,061</u>
<i>Investment income</i>		
Income from investment properties	42,925	45,203
Income from other investments	1,572	2,023
	<u>44,497</u>	<u>47,226</u>
<i>Other income</i>		
Other income - Waadi income	46,500	45,750
Other income - Book sales	500	740
Other income - Hall bookings	11,904	10,800
	<u>58,904</u>	<u>57,290</u>
<i>Raising funds</i>		
Other fundraising costs - Waadi expenses	(10,025)	(3,044)
Other fundraising costs - Publication expenses	-	(60)
Other fundraising costs - Mujalis expenses	(10,538)	(35,792)
Opening stock	(191,520)	(212,720)
Closing stock	178,080	191,520
	<u>(34,003)</u>	<u>(60,096)</u>
<i>Charitable activities</i>		
Wages and salaries	(16,910)	(16,714)
Staff NIC (Employers)	(139)	-
Rates	(1,456)	(1,009)
Light, heat and power	(1,161)	(4,834)
Insurance	(4,643)	(3,290)
Repairs and maintenance	(7,594)	(7,376)
Telephone and fax	(1,819)	(2,356)
Office expenses	(510)	(1,378)
Computer software and maintenance costs	(300)	(817)
Printing, postage and stationery	(1)	(1,042)
Sundry expenses	-	(394)
Cleaning	(1,758)	(3,353)
Travel and subsistence	(1,177)	(572)
Accountancy fees	(3,629)	(1,709)
The audit of the charity's annual accounts	-	(1,920)
Legal and professional fees	(485)	-

This page does not form part of the statutory financial statements.

Muhammadi Trust of GB & NI

Detailed Statement of Financial Activities for the Year Ended 30 September 2020

	Total 2020 £	Total 2019 £
Bank charges	(903)	(674)
Loan interest	(3,246)	(2,386)
Depreciation of freehold property	(18,250)	(18,622)
Depreciation of fixtures and fittings	(100)	(118)
Depreciation of office equipment	(530)	(623)
(Gain)/loss on UK investments	<u>(839)</u>	<u>2,969</u>
	<u><u>(65,450)</u></u>	<u><u>(66,218)</u></u>