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THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Registered Charity in UK No. 288356

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

LEGAL & ADMINISTRATIVE DETAILS

Status	The Khoja Shia Ithnaasheri Muslim Community of London is an Unincorporated charitable body governed by its constitution and is constituted as a charitable trust. The constitution was adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020.																																																			
Charity Number	288356																																																			
Registered Office	Husseini Islamic Centre Wood Lane, Stanmore Middx HA7 4LQ																																																			
Other Names	Husseini Islamic Centre Stanmore Mosque																																																			
Trustees	<table><tr><td>Murtaza Gulamhusein</td><td>President & Custodian Trustee (Elected 02 June 2024)</td></tr><tr><td>Sajjad Tejani</td><td>Vice President & Custodian Trustee (Elected 08 May 2022, re-elected 02 June 2024)</td></tr><tr><td>Bashir Pirbhai</td><td>Secretary (Elected 02 June 2024)</td></tr><tr><td>Sukaina Nurmohamed</td><td>Assistant Secretary (Elected as Committee Member on 08 May 2022 and as Assistant Secretary on 02 June 2024)</td></tr><tr><td>Arif Punjani</td><td>Hon. Treasurer & Custodian Trustee (Elected 02 June 2024)</td></tr><tr><td>Sadikali Premji</td><td>Asst. Treasurer (Appointed 11 June 2024)</td></tr><tr><td>Doureine Hiridjee</td><td>Chairlady & Committee Member (Elected 02 June 2024)</td></tr><tr><td>Samana Fazel</td><td>Committee Member (Elected 02 June 2024)</td></tr><tr><td>Soukeina Premdje</td><td>Committee Member (Elected 02 June 2024)</td></tr><tr><td>Asad Hamir</td><td>Committee Member (Elected 02 June 2024)</td></tr><tr><td>Arif Hussein</td><td>Committee Member (Elected 02 June 2024)</td></tr><tr><td>Ilyas Govani</td><td>Committee Member (Elected 02 June 2024)</td></tr><tr><td>Shiraz Jessa</td><td>Committee Member (Elected 02 June 2024)</td></tr><tr><td>Mohammed Ghoghai</td><td>Committee Member (Elected 02 June 2024)</td></tr><tr><td>Sibtain Allibhai</td><td>President & Custodian Trustee (Elected 6 December 2021, re-elected 05 June 2022, term ended 02 June 2024)</td></tr><tr><td>Mohammed Akil Kanani</td><td>Hon. Secretary & Custodian Trustee (Elected Committee Member on 17 May 2022 and as Secretary on 18 July 2022, term ended 02 June 2024)</td></tr><tr><td>Mohamedasif Riyaz Rajabali</td><td>Asst. Secretary (Re-elected 8 May 2022, resigned 5 January 2023, appinted as Committee Member on 5 January 2023, term ended 02 June 2024)</td></tr><tr><td>Assad Abdulla</td><td>Asst. Secretary (Elected as Committee Member on 8 May 2022 and appointed as Asst Sec on 5 January 2023, term ended 02 June 2024)</td></tr><tr><td>Mushtakali Kassam</td><td>Hon. Treasurer & Custodian Trustee (Elected 8 May 2022, term ended 02 June 2024)</td></tr><tr><td>Ali M Ali</td><td>Asst. Treasurer (Elected 8 May 2022, term ended 02 June 2024)</td></tr><tr><td>Nasima Azim Karim</td><td>Chairlady (Re-elected 8 May 2022, term ended 02 June 2024)</td></tr><tr><td>Tahera Kassam</td><td>Committee Member (Elected 8 May 2022, term ended 02 June 2024)</td></tr><tr><td>Dr Ali Abbas R Hasham</td><td>Committee Member (Elected 8 May 2022, term ended 02 June 2024)</td></tr><tr><td>Hasnain Mamdani</td><td>Committee Member (Elected 8 May 2022, term ended 02 June 2024)</td></tr><tr><td>Salim Hamir</td><td>Committee Member (Elected 8 May 2022, term ended 02 June 2024)</td></tr></table>		Murtaza Gulamhusein	President & Custodian Trustee (Elected 02 June 2024)	Sajjad Tejani	Vice President & Custodian Trustee (Elected 08 May 2022, re-elected 02 June 2024)	Bashir Pirbhai	Secretary (Elected 02 June 2024)	Sukaina Nurmohamed	Assistant Secretary (Elected as Committee Member on 08 May 2022 and as Assistant Secretary on 02 June 2024)	Arif Punjani	Hon. Treasurer & Custodian Trustee (Elected 02 June 2024)	Sadikali Premji	Asst. Treasurer (Appointed 11 June 2024)	Doureine Hiridjee	Chairlady & Committee Member (Elected 02 June 2024)	Samana Fazel	Committee Member (Elected 02 June 2024)	Soukeina Premdje	Committee Member (Elected 02 June 2024)	Asad Hamir	Committee Member (Elected 02 June 2024)	Arif Hussein	Committee Member (Elected 02 June 2024)	Ilyas Govani	Committee Member (Elected 02 June 2024)	Shiraz Jessa	Committee Member (Elected 02 June 2024)	Mohammed Ghoghai	Committee Member (Elected 02 June 2024)	Sibtain Allibhai	President & Custodian Trustee (Elected 6 December 2021, re-elected 05 June 2022, term ended 02 June 2024)	Mohammed Akil Kanani	Hon. Secretary & Custodian Trustee (Elected Committee Member on 17 May 2022 and as Secretary on 18 July 2022, term ended 02 June 2024)	Mohamedasif Riyaz Rajabali	Asst. Secretary (Re-elected 8 May 2022, resigned 5 January 2023, appinted as Committee Member on 5 January 2023, term ended 02 June 2024)	Assad Abdulla	Asst. Secretary (Elected as Committee Member on 8 May 2022 and appointed as Asst Sec on 5 January 2023, term ended 02 June 2024)	Mushtakali Kassam	Hon. Treasurer & Custodian Trustee (Elected 8 May 2022, term ended 02 June 2024)	Ali M Ali	Asst. Treasurer (Elected 8 May 2022, term ended 02 June 2024)	Nasima Azim Karim	Chairlady (Re-elected 8 May 2022, term ended 02 June 2024)	Tahera Kassam	Committee Member (Elected 8 May 2022, term ended 02 June 2024)	Dr Ali Abbas R Hasham	Committee Member (Elected 8 May 2022, term ended 02 June 2024)	Hasnain Mamdani	Committee Member (Elected 8 May 2022, term ended 02 June 2024)	Salim Hamir	Committee Member (Elected 8 May 2022, term ended 02 June 2024)
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Bankers	Habib Bank AG Zurich Limited Barclays Bank Plc The Co-operative Bank																																																			
Auditors	Gerald Edelman LLP Cornhill 73 Cornhill London EC3V 3QQ																																																			

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

PRESIDENT'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

Bismillahirrahmanirahim – I begin in the name of Allah SWT , The Most Merciful , The Most Beneficent.

We are pleased to provide you with the audited financial statements for The KSIMC of London for the fiscal year ending on December 31, 2023.

The KSIMC of London expresses gratitude for the invaluable contribution of our dedicated volunteers, whose selfless service benefits both members and non-members alike. The Hujjat center's activities operate seven days a week, accommodating individuals of all ages and genders.

As a fully registered UK charity, our organization depends greatly on the generous donations from our members and their families. Every individual contributes in some capacity, enabling us to offer a wide range of services to individuals of all ages and backgrounds on a daily basis, including infants, children, youths, adults, and seniors. Our activities encompass Religious Education, Marriages, Funerals, Sporting events, Secular education, welfare activities, and more. These services benefit both genders and foster a sense of community, fostering strong bonds and lasting friendships among our members.

Following the acquisition of Hujjat Harefield in October 2022, made possible through the blessings of Allah (swt) and the unwavering support of our members worldwide, we have made significant strides toward realizing our vision of a vibrant community hub. Situated on a 6.3-acre site, with a total internal space of 135,000 square feet across three buildings and on-site parking for over 500 cars, Hujjat Harefield is poised to serve generations to come. InshaAllah, it will stand as an emblem of our community's unity and strength on a global scale.

The guidance of our resident Aalim, Sheikh Anwar Jaffar, has been invaluable in providing direction on religious matters for our community. Equally significant is the contribution of our team of female Aalima within the Hidayah team, dedicated to serving the women and girls of our community.


After over two years of negotiations with the insurance company regarding the water damage claim at our Hujjat Stanmore center, we are pleased to report that the claim has finally been processed, and renovation work has commenced. As of the writing of this report, refurbishment is in full swing, and the project is progressing to a high standard. We anticipate completing the works on-site by the summer of 2024. We extend our heartfelt appreciation to all the volunteers who have dedicated their time and effort to make this renovation possible. Throughout the process, we have maintained communication with the council, and they have expressed satisfaction with the progress of the work.

As a result of rising utility expenses and the refurbishment costs, our cash flows have been significantly affected. In order to sustain our services to our members, we earnestly urge everyone to continue contributing from the wealth that Allah has bestowed upon you. Your continued support is crucial for our ongoing operations and community service efforts.

I extend my heartfelt gratitude to the members of my executive committee for their tireless efforts during this period. I also want to express a sincere thank you to all the Buju's and volunteers who have selflessly served our community solely for the pleasure of Allah (swt). May Allah bless each and every one of you. Our volunteers are the lifeblood of this community, and we are deeply appreciative of their invaluable contributions.

Lastly, to our esteemed members, I humbly ask for your forgiveness for any shortcomings from myself and my team. I pray that we may continue to collaborate and remain united in our efforts. May I request a sura e Fateha for all marhumeen, Al Fateha.

Wasalaam

DocuSigned by:

30FCB355D1024B4...
Murtaza Gulamhusein
President
The KSIMC of London

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are pleased to present their annual report and the audited financial statements for the year ended 31 December 2023. The legal and administrative information appearing on page 3 forms a part of this report.

Structure, governance and management

The Charity is an unincorporated Charity governed by its Constitution adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020, with periodic amendments to the Constitution as disclosed in the Minutes of the relevant general meetings.

In accordance with the provisions in the Constitution, the Trustees are elected every two years. The elections normally take place two weeks prior to the relevant Annual General Meeting. The current executive committee was elected on 8 May 2022.

The Charity is managed by the office bearers and the Executive Committee whose roles are clearly defined in the constitution, and who meet at least 10 times a year.

The Trustees receive information about their role and responsibilities from a range of sources, including the Charity Commission and professional advisors to the Charity. Arrangements are in place for the induction of all newly appointed Trustees who receive a formal induction from the President of the Charity relating to their role and responsibilities as a trustee, prior to their first meeting.

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organisation, The World Federation of Khoja Shia Ithna-asheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK.

The following trustees who served during the period to approval of these accounts were:

Murtaza Gulamhusein (elected 2 June 2024)
 Sajjad Tejani (reelected 2 June 2024)
 Bashir Pirbhai (elected 2 June 2024)
 Sukaina Nurmohamed (reelected 2 June 2024)
 Arif Punjani (elected 2 June 2024)
 Sadikali Premji (appointed 11 June 2024)
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 Mushtakali Kassam (term ended 2 June 2024)
 Ali M Ali (term ended 2 June 2024)
 Nasima Azim Karim (term ended 2 June 2024)
 Tahera Kassam (term ended 2 June 2024)
 Dr Ali Abbas R Hasham (term ended 2 June 2024)
 Hasnain Mamdani (term ended 2 June 2024)
 Salim Hamir (term ended 2 June 2024)

Conflicts of Interest

Trustees and staff are expected to conduct the business of the Charity with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from the Charity's work. All staff and Trustees have to declare their interests. At each Executive Committee meeting the Trustees are expected to inform those present to any interests, and may be asked not to participate during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also reported to the Executive Committee.

Public Benefit Statement

The Charity is a Public Benefit Entity.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit and have complied with the duty in section 17 of the Charities Act 2011 when reviewing the aims and objectives that have been set, and in planning the Charity's future activities.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Object, objectives and activities for the public benefit

The objects for which the Charity has been established is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith and to provide for the relief of poverty among Muslims of the Shia Ithna-Asheri faith.

The Charity through its Executive Committee has the power:

- (a) To encourage the practice of the Islamic Religion as taught by the Shia Ithna-Asheri faith in the City of London, across the UK and throughout the whole world.
- (b) To spread knowledge of the Islamic Religion as taught by the Shia Ithna-Asheri faith with a view to gaining adherents.
- (c) To secure the provision of Mosques and Imambara and to provide for the upkeep restoration and repair of their fabric and the maintenance of the services therein and to supply and embellish the furniture and fittings of such Mosques and Imambara.
- (d) To hold and arrange Islamic Religious services and ceremonies and in particular the performance of nikah.
- (e) To provide religious education in the principles of the Islamic faith as taught by the Shia Ithna-Asheri faith.
- (f) To pay or assist in paying the funeral expenses of deceased Muslims who have died in straitened circumstances.
- (g) To establish, take over, maintain, endow or otherwise assist in the formation of religious or educational establishments where the Islamic Religion is taught in accordance with the principles laid down by the Shia Ithna-Asheri faith so long as the objects of such establishments are exclusively charitable.
- (h) To receive donations whether impressed with any special trust (provided such trust is exclusively charitable) or not to be held and applied for the promotion of the Charity.
- (i) To issue appeals for donations and periodical reports on the work of the Charity.
- (j) To do all such other things as shall further the above-mentioned objects.

As a result of the general guidance on public benefit, the Trustees have assessed the objectives as follows:

- Hold regular congregations to observe and propagate the Shia Ithna-Asheri faith;
- Repair and maintain the Charity's listed building where most of the activities take place;
- Produce regular publications;
- Maintain, and enhance, the Charity's website;
- Arrange educational and faith seminars (including inter-faith symposiums);
- Continuously cater for the youth and senior citizens;
- Promote religious education; and
- Enhance relationships within the local community.
- to try and secure separate accommodation for the Membership body

Achievements and Performance

In order to meet the objectives, the Trustees carried out several activities and are pleased to report the following achievements:

- Regular faith based occasions and commemorations held at the centre - weekly, seasonal and occasional;
- Regular Senior Citizens weekly in-person gatherings;
- Provide significant financial and other support for youth development and their social activities;
- Provide support to those most affected in our community by the cost of living crisis;

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

- Continued development of the new CRM Database - Salesforce and Hujjat Website;
- Worked closely with the resident Alim (Scholar) to guide the community on religious affairs;
- Continued in phased approach, the internal refurbishment works
- Continued with the consultants, and necessary bodies with regards to internal refurbishment works;
- Continuing of internal Hujjat process improvements / modernisation and automation of IT systems;
- Continued to support Hujjat Maternal Services in their activities;
- Launched Futr - innovative and community centric office and co-working space at Hujjat Harefield

These achievements would not have been made without both the commitment and dedication of volunteers and the generous donations made by both members and non members of the community. Dedicated volunteers have contributed on average over 120 hours per week to running the services and donations have been received without the use of professional fundraisers or being bound by any scheme.

Investment Policy

The funds of the Charity that are not required for immediate application may be invested in such manner as the Trustees, from time to time, may approve.

During the year ended 31 December 2023 the funds were invested in various bank accounts and in investment properties.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Risk Management

The Trustees recognise that effective risk management is essential in achieving the Charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The Charity will formalise the risk management and create a risk register which will be reviewed on regular basis.

Policy on reserves

The Charity has undertaken a review of the reserves policy having regard for the risk assessment.

To safeguard the core activities in periods of fluctuating income, where possible, the Trustees have determined to establish free reserves (i.e. those unrestricted reserves not tied up in tangible fixed assets) at a level sufficient to meet the Charity's requirements for a minimum period of 3 months of unrestricted expenditure in any given year equating to approximately £300,000.

The level of General Funds as at 31 December 2023 is £1,244,406 (2022 - £381,516). As at the year end the Charity also had £480,794 (2022 - £677,023), mainly in cash, as funds designated for specific use as shown in note 15 and 16 to the accounts.

As at 31 December 2023 the Charity's Restricted funds were £17,496,281 (2022 - £16,938,133) of which £17,226,808 (2022 - £16,223,787) is represented by fixed assets and balance of £269,473 (2022 - £714,346) in cash is represented by various funds as shown in note 16 to the accounts.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The results of the Charity's activities are shown on pages 13 to 25 of the financial statements.

The Charity's main objective is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith. All the activities including the divisions under its control namely, The Islamic Montessori School, Shia Ithnaasheri Madressa, Hujjat Saturday Workshop, Husaini Tuition Centre, Islamic Bookshop and the Burial Fund contribute in achieving this main objective. All the income from these divisions and the donations received from the members and well-wishers of the Charity assist the Charity in meeting its main charitable objective of providing services to the community at large.

Income relating to unrestricted and restricted funds decreased by £3,552,696 to the sum of £7,156,749 (2022 - increased by £8,800,564). Expenditure on these activities also increased by £3,178,814 to £5,931,940 (2022 - increased by £836,796). The decrease in income mainly relates to a decrease in donations as the increase in the previous year related to purchase of Harefield property. The increase in expenditure in the year mainly relates to the refurbishment work carried out at the centre.

Overall, net income from unrestricted activities was £249,665 (2022 - deficit £429,968), and net income from restricted funds is £975,144 (2022 - £8,386,287).

Future Plans

In addition to the objectives outlined above, the Charity has additional objectives over the forthcoming 12 month period:

- Continue to invest in training of volunteers to improve efficiency in all services offered at the centre; by holding classes run by professional trainers
- Continue in educating the members and community at large on social and health issues by inviting professional speakers and further promoting services provided such as the talks during programmes on pertinent health issues.
- Continue to work closely with the property refurbishment team to ensure our centre is restored and modernised to meet the needs of our community. Launch and develop a fundraising plan to raise the necessary funds to complete the project.
- Continue to progress on the Hujjat Harefield project.
- Continue working with our youth and guide them in all aspects to be future leaders of our community.
- Continue to assist our community members to deal with all the challenges in the post-Covid climate and cost-of-living crisis. Specifically, mental and financial wellbeing, and active support to our senior members.
- Continue to engage with the neighbours and other local communities to maintain cordial relationships.
- Continue to upgrade our IT & AV system to meet the future challenges of the online world.
- Improve member engagement through an interactive and up-to date database and enhanced social media following.
- Expand and build upon the welfare & employment services, ensuring sustainable growth.
- Create effective ways of working within EC and engage with members more effectively for more transparency.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Trustees' responsibilities

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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;
- 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Appreciation

The Charity relies heavily on services of volunteers. The Trustees wish to thank the Jamaat staff and all the volunteers for their unstinting hard work during 2023 and their on-going efforts in the daily administration of numerous areas of work we do.

The Trustees also wish to acknowledge the immense quantity of high quality work undertaken by staff, officers and volunteers in helping to achieve and deliver the charitable objectives of the Charity.

Auditors

No auditors appointment resolution was proposed at the AGM. The Trustees will either re-appointment the current auditor or appoint a new auditor.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor are aware of such information.

The Trustees' report was approved and signed on behalf of the Trustees on 14 November 2024

Signed by:

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Bashir Pirbhai
Hon. Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Opinion

We have audited the financial statements of The Khoja Shia Ithnaasheri Muslim Community of London for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Responsibilities of the trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 December 2023.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

Extent to which the audit was considered capable of detecting irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act and UK Charity Act, tax legislation, data protection, anti-bribery, employment and health and safety.

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Audited the risk of management override of controls, including through testing journal entries for appropriateness;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the charity and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the trustees.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of report

This report is made solely to the Charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



38429BB0CF8347E...

Talha Farrukh FCCA, ACA
(Senior Statutory Auditor) for and on behalf of
Gerald Edelman LLP

Chartered Accountant
Statutory Auditor

73 Cornhill
London
EC3V 3QQ
Date: 14 November 2024

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

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
		£	£	£	£
Income					
<i>Income from generated funds</i>					
Donations	2	1,117,099	1,789,641	2,906,740	9,268,445
Subscriptions		334,203	-	334,203	319,443
<i>Activities for generating funds</i>					
Sundry income	3	106,109	-	106,109	83,730
<i>Investment income</i>	4	1,969,049	-	1,969,049	378,456
<i>Income from charitable activities</i>					
Activities of the centre		70,280	-	70,280	58,235
Burial facilities		289,395	-	289,395	214,505
Education		433,785	-	433,785	386,631
<i>Other income</i>					
Grant		15,660	-	15,660	-
Insurance claim		1,031,528	-	1,031,528	-
Total income		5,367,108	1,789,641	7,156,749	10,709,445
Expenditure					
<i>Costs of generating funds</i>		96,042	-	96,042	44,467
<i>Expenditure on charitable activities</i>					
Religious and spiritual activities		779,641	-	779,641	528,128
Secular education		321,980	-	321,980	267,037
Burial facilities		445,254	-	445,254	536,839
Youth, children and volunteers		36,961	-	36,961	87,243
Relief of the needy, poor, orphaned and widowed		-	692,305	692,305	292,759
Nyaz		353,502	-	353,502	281,739
Property expenditure and depreciation		3,016,035	122,192	3,138,227	664,662
<i>Governance</i>		68,028	-	68,028	50,252
Total expenditure	5	5,117,443	814,497	5,931,940	2,753,126
Net income / (expenditure)		249,665	975,144	1,224,809	7,956,319
Transfer of funds	15, 16	416,996	(416,996)	-	-
Net movements in funds		666,661	558,148	1,224,809	7,956,319
Unrealised gain on revaluation of tangible fixed assets		-	-	-	-
Net movements in funds		666,661	558,148	1,224,809	7,956,319
Funds brought forward at the start of the year		1,058,539	16,938,133	17,996,672	10,040,353
Funds carried forward at the end of the year	15, 16	1,725,200	17,496,281	19,221,481	17,996,672

There are no other recognised gains and losses other than those passing through the Statement of Financial Activities. All income and expenditure derive from continuing activities.

The notes on pages 16 to 25 form a part of these financial statements.


THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON


BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023	2023	2022	2022
		£	£	(as restated) £	(as restated) £
Fixed assets					
Investment properties	7		1,625,000		1,625,000
Investment in subsidiary	8		4		-
Property, plant and equipment	9		40,355,922		39,863,587
Total fixed assets			41,980,926		41,488,587
Current assets					
Stock		58,189		52,322	
Debtors	10	950,223		400,235	
Cash at bank and in hand		1,999,649		3,206,255	
Total current assets		3,008,061		3,658,812	
Debtors: Amounts falling due after more than one year	11	79,461		73,518	
		<u>3,087,522</u>		<u>3,732,330</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(3,105,267)		(2,730,018)	
Creditors: Amounts falling due after more than one year	14	(22,741,700)		(24,494,227)	
			(22,759,445)		(23,491,915)
Total net assets			19,221,481		17,996,672
The funds of the charity					
Unrestricted funds	15				
Designated funds		480,794		677,023	
General funds		<u>1,244,406</u>		<u>381,516</u>	
			1,725,200		1,058,539
Restricted funds	16				
Revaluation reserve		2,887,720		2,887,720	
Other		<u>14,608,561</u>		<u>14,050,413</u>	
			17,496,281		16,938,133
Total funds	17		19,221,481		17,996,672

The notes on pages 16 to 25 form a part of these financial statements

Approved for issue by the board of trustees on 14 November 2024 and signed on its behalf by:

DocuSigned by:

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Murtaza Gulamhusein - (President)

Signed by:

 7E5FC25CF2BF475...
Arif Punjani - (Honorary Treasurer)

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		£	£
Cash used in operating activities			
Net movement in funds		1,224,809	7,956,319
Add back depreciation charge		172,983	41,694
Add back interest paid		1,121,200	235,616
Less interest income		(28,981)	(5,887)
Increase in stock		(5,867)	(4,213)
Increase in debtors		(555,931)	(259,073)
Decrease / Increase in creditors		(1,377,278)	26,849,132
Net cash generated from / (used in) operating activities		550,935	34,813,588
Cashflows from investing activities			
Interest income		28,981	5,887
Interest paid		(1,121,200)	(235,616)
Investment in subsidiary		(4)	-
Purchase of property, plant and equipment		(665,318)	(33,006,687)
Net cash used in investing activities		(1,757,541)	(33,236,416)
Decrease in cash and cash equivalents in the year		(1,206,606)	1,577,172
Cash and cash equivalents at the beginning of the year		3,206,255	1,629,083
Cash and cash equivalents at the end of the year		1,999,649	3,206,255

The notes on pages 16 to 25 form a part of these financial statements

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting Policies

General Information and basis of preparation

The Khoja Shia Ithnaasheri Muslim Community of London is a registered charity (Charity No 288356) in England and Wales. The nature of the charity's operations and activities are reported in the Trustee's Report. The legal and administrative information appearing on page 3 forms a part of these notes.

Basis of preparation

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

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after certain conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For restricted donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Voluntary income is included in the Statement of Financial Activities upon receipt. Income from charitable activities (including membership income) is recognised as income when receivable, except when incapable of financial measurement.

Investment income is earned through renting of charity's assets. It is recorded on an accruals basis.

Grants and Gift Aid are recognised when receivable, Government Grants and subscriptions for membership are recognised when received. Gift Aid received is treated as unrestricted income and utilised against the support costs of the charity.

All income is included net of VAT and related expenditure includes any VAT which is not recoverable.

Taxation

No provision has been made for corporation tax or deferred tax as the charity is a registered charity and is therefore exempt within the meaning of schedule 3 of the Charities Act 2011 and therefore is exempt from taxation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities comprises the resources applied by the charity in meeting its charitable objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The support costs have been allocated to the charity's activities based on the number of staff employed in each area and the proportionate use of resources. The analysis of these costs is included in note 5.

In accordance with the Charities SORP (FRS 102), the general volunteer time of members and trustees is not recognised. The Trustees' annual report includes more information about their contribution.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting Policies (continued)

Pension

Employees of the charity are entitled to join a defined contribution scheme unless they have exercised their right to opt out of the scheme membership. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The charity has no liability beyond making its contribution and paying across the deductions for the employee's contributions.

Property, plant and equipment

Fixed assets are included at cost or, where original cost is not ascertainable, at valuation at the time such assets were first capitalised, less depreciation where appropriate.

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, over their expected useful lives:

Building	over 50 years on a Straight Line Basis
Equipment	over 4 years on a Straight Line basis
Furniture and Fixtures	between 3 and 7 years on a Straight Line basis
Motor Vehicle	over 5 years on a Straight Line basis

Property, plant and equipment is assessed for impairment indicators and if such indicators exist, a full impairment review is conducted.

The property held for mixed use which cannot be separated between Investment Property and Property, Plant and Equipment is accounted for as Property and Property, Plant and Equipment under applicable SORP and FRS 102.

Investment Property

Investment property is included in the Balance Sheet at fair value. The value is generally established by the Trustees based on guidance and discussions held with independent third parties.

Cash and cash equivalents

Cash and cash equivalents include cash In hand, deposits held at call with banks and other short-term liquid Investments with original maturities of three months or less.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Stock

Stock consists of books in the bookshop. The stock is valued at lower of cost and net realisable value.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Prior year adjustment

The trustees have reclassified an investment property as a property, plant and equipment through a prior period adjustment. The property, acquired in October 2022, was intended for mixed use, including the charity's own use, and should have been classified as a property, plant and equipment from the date of acquisition. This adjustment had no material impact on the the accounts, aside from a reclassification of £33 million from investment property to property, plant and equipment in the Balance sheet.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Funds

Unrestricted general funds are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes. Investment income and gains are allocated to the unrestricted funds.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund, if appropriate. The aim and use of each restricted fund is set out in notes to the financial statements. Transfers are made to/from restricted funds on approval by the Trustees when required to do so in order to enable the restricted fund to carry out its activities.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial

Consolidation

The charity owns 100% shares through its trustees of 01Futr Limited, a limited company, registered in England & Wales, company number 15077776. The company was formed on 17 August 2023 and started trading in December 2023. The company has not prepared its first set of accounts yet as the company is less than 6 months as at 31 December 2023.

2 Donations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Chawda Masumin, Jula and Imam Zamin	81,319	-	81,319	74,558
General donations	716,682	1,126,865	1,843,547	8,506,086
Nyaz	200,763	-	200,763	204,464
Sadka, Welfare and Bewa Yatim	-	105,138	105,138	94,275
Relief, religious and spiritual activities	-	557,638	557,638	260,134
Gift Aid	118,335	-	118,335	128,928
	<u>1,117,099</u>	<u>1,789,641</u>	<u>2,906,740</u>	<u>9,268,445</u>

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Parking	19,150	-	19,150	11,460
Announcement and adverts	8,008	-	8,008	7,233
Directory and calendar	7,501	-	7,501	10,724
Other Fundraising	8,998	-	8,998	4,291
Islamic bookshop	62,452	-	62,452	50,022
	<u>106,109</u>	<u>-</u>	<u>106,109</u>	<u>83,730</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Rent received	1,940,068	-	1,940,068	372,569
Interest received	28,981	-	28,981	5,887
	<u>1,969,049</u>	<u>-</u>	<u>1,969,049</u>	<u>378,456</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

5a Total Expenditure

	Direct Costs £	Support Costs £	Total 2023 £	Total 2022 £
Costs of Generating Funds	-	96,042	96,042	44,467
Charitable Activities				
Religious and spiritual activities	525,775	253,866	779,641	528,128
Secular education	217,137	104,843	321,980	267,037
Burial	300,271	144,983	445,254	536,839
Youth, children and volunteers	24,926	12,035	36,961	87,243
Relief of the poor, orphaned and widowed	692,305	-	692,305	292,759
Food & Nyaz	238,395	115,107	353,502	281,739
Expenditure on freehold properties	1,966,774	1,171,453	3,138,227	664,662
Governance (see Note 5d)	66,730	1,298	68,028	50,252
	<u>4,032,313</u>	<u>1,899,627</u>	<u>5,931,940</u>	<u>2,753,126</u>

The support cost is allocated on the basis either on a directly attributable to charity activities or apportioned basis. Certain expenditure are apportioned 5% as cost of generating funds and 5% as governance costs.

5b Support costs

	2023 £	2022 £
Motor vehicles expenditure	12,194	6,815
Car parking	22,773	12,335
Printing Postage Stationery	5,414	7,516
Telephone and internet	7,401	11,232
Insurances	13,133	11,430
Light & Heat	249,515	53,838
Rates & Water	7,309	2,894
Salaries and social security	247,640	165,636
Cleaning & Refuse Collection	50,407	36,531
Repairs & Maintenance	1,171,453	128,515
IT, Audio and Visual	29,239	48,850
Security expenses	336	-
Sundry Expenses	14,701	15,959
Mental Health	563	-
Education and Training	-	-
Bank & card charges	20,718	33,784
Exchange rate variance	(1,076)	-
Transport costs	2,200	-
Depreciation	45,707	39,431
	<u>1,899,627</u>	<u>574,766</u>

5c Staff costs

Staff costs comprise:	2023 £	2022 £
Wages and salaries	480,693	353,693
Social security costs	33,269	19,776
Pension contributions	6,440	4,112
	<u>520,402</u>	<u>377,581</u>
The average number of employees during the year was as follows:		
Full time employees	17	16
Part time employees	11	10
	<u>28</u>	<u>26</u>
Staff numbers as analysed by category:		
Charitable activities	25	23
Governance	3	3
	<u>28</u>	<u>26</u>

There was one employee who's remuneration and emoluments was over £60,000 (2022: none).

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5d Governance costs

	2023	2022
	£	£
Auditors remuneration	6,000	7,500
Legal and professional fees	58,695	39,071
Subscriptions	2,035	2,127
Share of support costs	1,298	1,554
	<u>68,028</u>	<u>50,252</u>

6 Trustees

Trustee have not received any remuneration from the Charity for performing their duties as a trustee (2022 - £Nil).

No Trustees received reimbursement for costs for attending meetings and travelling expenses during the year (2022 - £Nil).

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Investment properties

	Investment Property £
Cost or Valuation	
At 31 December 2022 originally reported	34,625,000
Prior year adjustment	(33,000,000)
At 1 January 2023 as restated	<u>1,625,000</u>
At 31 December 2023	<u>1,625,000</u>
Net Book Value	
At 31 December 2023	<u>1,625,000</u>
At 31 December 2022 as restated	<u>1,625,000</u>

The charity holds investment properties which has been stated at fair value appraised by the Trustees based on guidance received from independent third parties. The trustees concluded that the investment properties are fairly stated.

1 January 2023 figures have been restated due to a prior period adjustment of £33m incorrectly treated as investment property, now disclosed in note 9.

8 Investment in subsidiary

The charity owns 100% of 01Futr Limited, a company incorporated in England and Wales (Co No 15077776) on 17 August 2023. The activities of the company for the period to 31 Dec 2023 are immaterial as the trading started just before the year end.

9 Property, plant and equipment

	Freehold Property £	Equipment £	Furniture & Fittings £	Motor Vehicles £	Total £
Cost or Valuation					
At 31 December 2022 originally reported	7,000,000	270,105	204,829	87,621	7,562,555
Prior year adjustment	<u>33,000,000</u>	-	-	-	<u>33,000,000</u>
At 1 January 2023 as restated	40,000,000	270,105	204,829	87,621	40,562,555
Additions	612,511	4,731	4,485	43,591	665,318
At 31 December 2023	<u>40,612,511</u>	<u>274,836</u>	<u>209,314</u>	<u>131,212</u>	<u>41,227,873</u>
Depreciation					
At 1 January 2023	180,000	246,854	184,493	87,621	698,968
Charge for the year	142,192	15,516	8,736	6,539	172,983
Disposals	-	-	-	-	-
At 31 December 2023	<u>322,192</u>	<u>262,370</u>	<u>193,229</u>	<u>94,160</u>	<u>871,951</u>
Net Book Value					
At 31 December 2023	<u>40,290,319</u>	<u>12,466</u>	<u>16,085</u>	<u>37,052</u>	<u>40,355,922</u>
At 31 December 2022 as restated	<u>39,820,000</u>	<u>23,251</u>	<u>20,336</u>	<u>-</u>	<u>39,863,587</u>

At the year the charity had 2 freehold properties. The building element of the properties are depreciated over 50 year period.

A freehold property acquired on 11 October 2022 was incorrectly treated as an investment property in the 2022 financial statements. However, the trustees have made a prior period adjustment to correctly classify the property as a property, plant and equipment, rather than an investment property, from the date of acquisition. This adjustment reflects correction under applicable SORP and FRS 102 requirements.

The cost value of the freehold properties is £38,501,748 (2022: £37,889,237).

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Debtors	2023	2022
	£	£
Trade debtors	598,162	-
Prepayments and accrued income	209,984	400,235
Other debtors	142,077	-
	<u>950,223</u>	<u>400,235</u>

11 Debtors: Amounts falling due after more than one year	2023	2022
	£	£
Hujjat Housing Scheme	<u>79,461</u>	<u>73,518</u>

The amount is held in trust by two ex-trustees to facilitate the Hujjat Housing Scheme (HHS). The money is used as a guarantee for first time buyers taking out a Springboard mortgage with Barclays Bank.

12 Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	181,399	252,552
Other creditors	1,803,138	2,243,461
Other taxation & social security	86,541	-
Accruals and deferred income (see Note 13 for deferred income breakdown)	1,034,189	234,005
	<u>3,105,267</u>	<u>2,730,018</u>

13 Deferred income	2023	2022
	£	£
At 1 January	234,005	289,590
Released to income	(234,005)	(289,590)
Deferred in year	1,034,189	234,005
At 31 December	<u>1,034,189</u>	<u>234,005</u>

Deferred income at the year end relates to education fees and subscriptions paid in advance

14 Creditors: Amounts falling due after more than one year	2023	2022
	£	£
Bank loan	14,100,000	14,100,000
Other Creditors	8,641,700	10,394,227
	<u>22,741,700</u>	<u>24,494,227</u>

The bank loan attracts interest at 3.25% per annum above the Bank of England base rate. The term of the loan is 3 years expiring on 10 Oct 2025. This term is extendable subject to terms and conditions. The loan is secured over the property at Widewater Place, Harefield only.

Other creditors includes an unsecured advance received from The World Federation of KSIMC (WF), an associated organisation serving members of our community. The advance is towards the acquisition of the property and use of the property by WF with no interest being charged.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

15 Unrestricted Funds

	At 1 January 2023 £	Income £	Expenditure £	Transfers	At 31 December 2023 £
Designated fund					
Burial	469,925	227,106	(216,237)	-	480,794
Secular Education	48,059	243,687	(227,137)	(64,609)	-
Religious Education	132,349	184,781	(283,311)	(33,819)	-
Seniors Activities	8,973	24,518	(17,293)	(16,198)	-
Al Haadi	3,619	45,243	(37,672)	(11,190)	-
Other	14,098	14,495	(34,175)	5,582	-
	<u>677,023</u>	<u>739,830</u>	<u>(815,825)</u>	<u>(120,234)</u>	<u>480,794</u>
General fund	381,516	4,627,278	(4,301,618)	537,230	1,244,406
	<u>1,058,539</u>	<u>5,367,108</u>	<u>(5,117,443)</u>	<u>416,996</u>	<u>1,725,200</u>

Burial fund

Burial fund relates to membership subscriptions for future burial needs.

Secular Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational use by Islamic Montessori School and Husaini Tuition Centre.

Religious Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational use by Shia Ithnasheri Madressa and Hujjat Saturday Workshop

Seniors Activities fund

Seniors Activities fund relates to surplus reserves which the Trustees have designated specifically for future use by the Seniors for their activities

Al Haadi fund

Al Haadi fund relates to surplus reserves which the Trustees have designated specifically for future use by the youth's

Other fund

Other fund relates funds designated by the Trustees for future use for specific religious

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Restricted Funds

	At 1 January 2023 £	Income £	Expenditure £	Transfer £	31 December 2023 £
Sadka and welfare	46,662	91,852	(142,046)	3,532	-
Relief and Khums	35,068	557,638	(550,209)	-	42,497
Bewa and yatim	6,628	8,136	-	-	14,764
Welfare Loans	25,275	5,150	-	-	30,425
Library	189	15	-	(204)	-
Medical	353	37	-	(390)	-
Who is Hussein	50	50	(50)	-	50
Fountain fund	290	-	-	-	290
British Sign Language	959	-	-	(959)	-
Covid Fund	4,385	-	-	(4,385)	-
Lady Zainab Repairs Fund	414,409	-	-	(414,409)	-
Hujjat Orphan Burial Fund	23,673	1,550	-	-	25,223
Capital (fixed asset) fund	13,336,067	1,125,213	(122,192)	-	14,339,088
Foundation Fund	181	-	-	(181)	-
Financial Independent scheme	156,224	-	-	-	156,224
	<u>14,050,413</u>	<u>1,789,641</u>	<u>(814,497)</u>	<u>(416,996)</u>	<u>14,608,561</u>
Revaluation reserve	2,887,720	-	-	-	2,887,720
	<u><u>16,938,133</u></u>	<u><u>1,789,641</u></u>	<u><u>(814,497)</u></u>	<u><u>(416,996)</u></u>	<u><u>17,496,281</u></u>

Descriptions of funds

Library - funds provided for the provision of Islamic material for use by the membership body.

Medical - donations specifically given for medical supplies.

Sadka and welfare - donations collected and to be used for the poor and the needy of the wider community

Fountain fund - a specific donation given for building a fountain in the centre.

Relief and Khums - provision of funds for world relief projects and obligatory religious payments.

Bewa and yatim - donations collected and to be used for the welfare of orphans and widows within the community and abroad.

Welfare Loans - funds donated for Karz e Hasna for eligible members. Welfare loans are kept separate from welfare grants and their repayments are kept in this fund for future such loans.

British Sign Language - a specific donation given to facilitate members who require sign language.

Covid Fund - provision of funds those affected by the Covid 19 pandemic, including grants received from Council.

Lady Zainab Repairs Fund - Fund set up to for repairs and restoration of the Hussaini Shia Islamic Centre

Hujjat Burial Orphan Fund - Fund set up to assist those who cannot afford the cost of burial

Capital fund - donations given in respect to capital expenditure on buildings.

Foundation fund - life subscriptions given by the members of the community.

Financial Independent scheme - donations for future capital projects.

Revaluation reserve - restricted reserve created on revaluation of the properties.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Analysis of Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2023 represented by:				
Total fixed assets	24,750,231	3,887	17,226,808	41,980,926
Net current assets	<u>(23,505,825)</u>	<u>476,907</u>	<u>269,473</u>	<u>(22,759,445)</u>
Total net assets	<u>1,244,406</u>	<u>480,794</u>	<u>17,496,281</u>	<u>19,221,481</u>

18 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	54,680	109,454
Between one and five years	-	59,276
	<u>54,680</u>	<u>168,730</u>

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2023 £	2022 £
Within one year	1,450,932	1,311,919
Between one and five years	1,231,050	2,335,644
	<u>2,681,982</u>	<u>3,647,563</u>

19 Related parties

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organization, The World Federation of Khoja Shia Ithna-sheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK. The World Federation of Khoja Shia Ithna-sheri Muslim Communities represents the charity when dealing with international work which includes disaster and general reliefs outside of the UK. Certain trustees of The KSIMC of London are also trustees of CoEJ and therefore CoEJ is a related party. £309,005 (2022: £260,134) has been paid out to CoEJ which includes funds received for religious dues and sadka. Included within creditors, amounts falling due after more than one year, is an amount £8,083,412 (2022: £8,083,412) from the World Federation. There is no interest attached to this amount.

In 2018 the KSIMC of London received a £100,000 loan from CoEJ via WF to be used for the Hujjat Housing Scheme (HHS). This loan has no set repayment date and no interest will be charged.

The KSIMC of London is a community based organisation and we are reliant on members of the community to provide their time to serve as Trustees of the Charity, for which they do not receive any remuneration. We also encourage the use of community members as the source for people, goods and services. As a consequence of the regular turnover of Trustees due to the 2 year term of each Executive Committee, there are occasions where the Charity has employees (in most cases such employment contracts typically pre date and outlast the Trustee's tenure) and/or procures goods and/or services from individuals who would otherwise be classified as related parties during the tenure of the relevant Trustee. During 2023, any related party employment contracts and contracts to procure goods and/or services were negotiated and managed independent of the relevant Trustee to ensure that such contracts were bona fide and were dealt with independently and at arm's length. In 2023 the aggregate of payments by the Charity to such related parties totalled £3,922 (2022: £4,342).

During the year the charity received donations of £58,041 (2022: £50,697) from the trustees.

During the year the charity took new loans from the trustees of £Nil (2022: £70,000). The £70,000 received from trustees (now ex-trustees), £5,000 was repaid in 2022, £30,000 was converted to donation in 2023 and the remaining outstanding balance of £35,000, £20,000 due to be repaid in 2024 was also converted into donation post year end and the balance of £15,000 is due to be repaid by 2026. The loans are interest free, unsecured and no guarantees have been provided.