

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
IBAD-UR-RAHMAN TRUST**

DJH Mitten Clarke Audit Limited
Accountants
Statutory Auditors
The Glades
Festival Way
Stoke-on-Trent
Staffordshire
ST15SQ

IBAD-UR-RAHMAN TRUST
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FOR THE YEAR ENDED 31 MARCH 2023

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IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The trust was registered as a charity 24 May 1982 and it is governed by a trust deed dated 9 March 1982, amended 14 September 2012.

OBJECTIVES AND ACTIVITIES

Public benefit

The Trust was established for the benefit of the public in Manchester. The main objectives of the Trust are:

- To establish a mosque to provide a place of worship for the Muslim population of Manchester and surrounding areas
- To establish an education centre to provide Islamic teachings to children and adults.
- To establish an information and research centre for the study and dissemination of Muslim thought.
- To assist Muslims in arranging marriage and funeral ceremonies in accordance with Islamic law and the land.

Grantmaking

The trustees consider grant making an effective means of delivering aid using local charities. Such charities have experience, access to facilities, expertise, staff and other resources which will make them better placed to deliver aid in a more effective manner.

Examples of where aid has been delivered in this manner include, Tsunami affected areas, South Asian Earthquake areas and other natural disaster areas as well as those areas where poverty exists. This has been delivered via established and recognised charities such as, Muslim Hands, Islamic Relief and the World Islamic Mission Welfare Trust.

No such grants have been made during the current or prior year.

Voluntary help and gifts in kind

The Trustees are very grateful to the users of the mosque who give voluntary donations to further the aims of the Trust. All the money collected by the Trust arises from the weekly collection after Friday Juma Prayer and collection on special occasions such as Ramadan and Eid. The Trust is also helped by volunteers who give their time on Fridays to assist with collecting donations and help the administration with general duties like cleaning and getting the mosque ready for the Friday prayers.

Activities

The activities of the Trust include:

- Providing a place of worship for the five daily congregational prayers, weekly Friday Juma Prayer, Eid Prayer, Ramadan Prayers and other Holy periods.
- Providing a supplementary school for the education of children and adults in Islamic Studies, Quranic Studies, Arabic language and Urdu language.
- Carry out marriage, funeral and other services in accordance with Islamic traditions.
- Providing a mortuary where the body of the deceased can be kept in accordance with Islamic law.
- Providing a ritual washing facility where the body of the deceased can be prepared for burial in accordance with Islamic law.
- Providing help and advice for families of the deceased.
- Providing sporting and recreational activities for the young people who use the mosque.
- Providing holiday play schemes for local children.
- Collecting donations of food, clothing and money for charitable acts such as the Pakistan Earthquake Appeal.
- Collecting donations for the upkeep and running of the mosque and its activities.
- Engendering good relationships with members of other faith communities

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ACHIEVEMENT AND PERFORMANCE

Manchester Muslim College

In February 2017 the Trust secured the purchase of the leasehold for the adjacent building vacated by the Probation Service. The Trust was waiting for the City Council, who own the Freehold, to agree to a change of use from Probation Services to Community and Educational services, before taking possession of the building. The change in the use was agreed and the actual completion took place in June 2018 with the change in use agreed by the council in April 2019. The Trust has established the Manchester Muslim College (MMC) in the Probation Office Building. The aim of MMC is to train Imams who are resident in this country and have a good grasp of English. This is a Five year course and successful students will graduate as Imams and will be given the title Maulana (Male) and Alimah (Female).

The Trust is now running 'The Friendship and Wellbeing Group' programme every Tuesday for Ladies and Wednesday for men. The Trust has also started various community based activities for the local community.

Reconstruction of the Mosque Building

The main Mosque building has been demolished and a new larger and more impressive building has replaced it, the completion date has been revised. The delay in the project completion is primarily due to changing of the contractor. All functions of the Mosque are taking place in the Annexe building during the period of reconstruction. Internally the mosque is fully complete.

The building work on the new mosque has progressed and is near completion. The new completion date is March 2024.

Sisters Study Circle at North Manchester Jamia Masjid

The Sisters Study Circle (SSC) is brought about by the need for structured activities for women and children in the local Muslim community of Cheetham Hill.

The SSC first started meeting in February 2009 on a Saturday morning in the North Manchester Jamia Masjid (NMJM) and since then they have continued to gather weekly to:

- ensure the well being of Muslim women and children in the community
- to refresh knowledge and learn more about our faith
- to assist each other in developing self-confidence and self-respect
- to enable each other to deal with issues faced by Muslim women
- to share experiences
- parenting course held for local parents.

The study circle starts with the recitation of a verse from the Holy Quran and then moves on to a short story aimed at the younger children. This is followed by a talk on a topic of interest by one of the sisters, and at the end all sisters are invited to discuss, offer their opinions and ask questions. The programme is ended by sisters joining together to recite Nasheed, Dhikr and Salaam.

The SSC has also organised programmes for the wider community such as annual Eid Milaad-un-Nabi (Birthday of the Prophet Mohammad Peace be upon him) programmes and Eid parties which are very successful.

Annually the Eid Milaad-un-Nabi programme is attended by over 700 women. Nasheeds are recited by children who study at the Mosque's evening school and by the SSC sisters. Inspiring speeches are given by invited guests and food is provided at the end of the programme.

SSC also hold fundraising Eid Parties. All the money raised is donated to the Mosque Redevelopment Project fund.

The event includes a bouncy castle and games and activities for children and hot food and snacks are available throughout the day at the numerous food stalls. There are stalls, selling arts and crafts, jewellery, shawls and scarves, bags and shoes, books and CDs and much more. An auction of donated items generously provided by local businesses and individuals is also held towards the end of the programme. The SSC raised several thousand pounds for the Trust during this financial year.

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We hope to continue with these events in forthcoming years as well as arranging events such as picnic-in-the-park and day trips to local places of interest such as seaside resorts and amusement parks. In addition to holding Eid prayers in the Mosque, prayers were said in a local park (Heaton Park, Manchester).

Supplementary School

The Supplementary School has grown from strength to strength. We now have over 200 children who attend classes in Islamic studies, Quranic studies and modern foreign languages such as Urdu and Arabic. They attend the school from 5.00pm to 7.00pm each weekday. A new uniform has been introduced to give the children a sense of pride and belonging.

25 part time teachers have been taken on to teach the children. Regular training is provided to the teachers by our Iman and they have also attended safe-guarding training provided by the Local Authority. Additionally the teachers also attended the class room management training in the year.

FINANCIAL REVIEW

Financial position

For the year ended 31 March 2023 the total incoming resources amounted to £822,133 (2022: £991,115). Of this income £821,984 was received by way of donations, with £355,478 classified as restricted funds being donated specifically in response to an appeal for the development of the Mosque and Zakat. The balance is unrestricted and undesignated. Other income relates to bank interest receivable which totalled £149. Resources expended totalled £604,361 compared to £498,154 in 2022.

Net resources for the year were £217,771 (2022: £492,961).

Reserves policy and financial policy:

The trustees have examined the need for free reserves i.e. those unrestricted not invested in tangible assets, designated for specific purposes or otherwise committed. The Trustees consider that, given the nature of the charity's work and its commitment, the level of free reserves should be such as will enable the charity to meet its commitments for the foreseeable future.

The statement of financial position shows total reserves of £7,931,630. Of this, £2,409,325 is represented by unrestricted funds which is for the support of the charity objectives.

Going concern

After considering the role of Ibad-Ur-Rahman within the wider community and risk management, the Trustees have reasonable expectation that the trust have adequate resources and cash flows to meet their spending commitments for the foreseeable future. Weekly donations continue to exceed ongoing running costs of the charity. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

FUTURE PLANS

The Trustees plan to:

- Continue to meet the needs of the growing Muslim community by offering services that are identified by the community.
- Review the management structure of the Trust to bring in new expertise.
- Create a link between the Annex Building and the main building to provide more space for larger congregations
- Build retail or office premises on land owned by the Trust. Rental income from the premises will be a regular source of income for the Trust.
- A second floor has been added to the Annex Building in preparation for the re-development of the main Mosque building. This has increased the capacity of this building to over 1,000 worshippers. During the reconstruction of the main Mosque building, two congregational prayers will be held on Fridays.
- The work started on building a larger mosque in October 2015 and is expected to be completed by March 2024.

IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a trust deed dated 9 March 1982, amended on 14 September 2012.

Organisational structure

The original Trust deed allows for a maximum of 5 trustees.

The powers and duties of the Trustees are clearly outlined in the trust deed. The Trust is based at North Manchester Jamia Mosque, 3 Woodlands Rd, Cheetham Hill, Manchester, M8 9LF.

The Trust now has 3 full time employees (Chief Imam, Trust Manager and an office administrator/caretaker), 3 part time Assistant Imams, 24 part time teachers of Islamic Studies, Arabic and Urdu and 1 part time caretaker/cleaner.

The Trust has set up a management committee of 31 members to help with organisational tasks. This management committee is divided into sub-committees, namely:

- Religious Affairs
- Finance/Accounts
- Education/Sports/Leisure
- Building Maintenance/Security
- Cultural/festival/catering

These sub-committees have clearly defined roles and responsibilities and their activities are closely monitored by the Trustees. Each sub-committee is headed by one of the Trustees. Decisions need to be ratified by the Trustees.

IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Trustees' responsibilities

The trust deed requires that the trustees keep proper books of account and records showing all receipts and payments and containing all such records as may be appropriate to the running of the trust. In addition, trustees must:

- Select suitable accounting policies and apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- Follow applicable accounting standards disclosing any disparities in the accounts, and prepare the accounts on a going concern basis unless it is inappropriate to assume that the trust will continue to operate.

The trustees have also complied with their duties under section 4 of the Charities Act 2011 regarding public benefit requirement by defining the charities' objectives (Page 1) as for the public benefit and ensuring the activities undertaken during the year meet those objectives.

Recruitment and Appointment of Trustees

The existing trustees are responsible for the recruitment of new trustees, but in so doing the trustees seek the views the wider community. The trustees believe this approach ensures that new trustees are respected members of the faith and local communities and ensures that good relations are fostered between the Mosque and the people of the local community served.

In selecting new trustees, the trustees seek to identify people who regularly attend events and functions organised by the charity and are willing to volunteer to help in our broader community work. Potential trustees are invited to attend trustees' meetings as observers and are given more details of the charity's aims and activities and, if all agree, they are then proposed as new trustees at the subsequent trustees' meeting. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Induction and Training of Trustees

Following appointment, new trustees are introduced to their new role and given copies of the Trust Deed and advised of the policies and procedures adopted by our charity. A number of publications from the Charity Commission are also provided, including the guidance on charities and public benefit and on the advancement of religion for the public benefit. This ensures that new trustees are aware of the scope of their responsibilities under the Charities Act. Initially new trustees work with an existing trustee assisting on particular activities and projects run by the charity. After satisfactory feedback from existing trustees, they are then given the task of leading a particular activity or project, reporting progress at trustees' meetings.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and identify key risks the trust faces in England and Wales, the trustees have reviewed the measures in place, or needing to put in place, to deal with these risks. There are three main areas of risk that has been identified by the trustees.

- Governance and management
- Operational
- Reputational

Governance and management - this looks at the risks of the charity arising from lack of direction, at the skills and training of its members and staff, and the good use of its resources.

The powers and duties of the trustees are clearly set out in the trust deed. The management committee members help with the organisational tasks and their role and responsibilities are closely monitored by the trustees. The extension of the building to cater for funeral facilities and building of a car park are one of many steps undertaken to reflect good use of resources.

Operational - this looks at the risks inherent in the charity's activities including the process of collecting donations, the unsuitability of buildings, poor maintenance, short-comings in the services provided, poor health and safety, lack of a disaster recovery policy etc.

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Donations collected during the week are kept in a secured 'safe' and banked promptly by designated trustee. A separate record is made for any donations collected for a specific purpose and maintained by a designated trustee.

There are security alarms, fire alarms and a CCTV system in place within and around the mosque to ensure maximum safety and security of the property, personnel and congregation on a continuous basis.

Reputational - this looks at possible damage to the charity's reputation that can arise from mis-use of donated income, recruitment of non qualified Imams or lecturers etc.

Having a formal recruitment process in place will ensure that quality of service is maintained by the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

512616

Principal address

North Manchester Jamia Mosque
(Ibad-Ur-Rahman Trust)
3 Woodlands Road
Cheetham Hill
Manchester
M8 9LF

Trustees

M Azmi
K Hussain
I Hanif
G Hassan
D Fozdar

Auditors

DJH Mitten Clarke Audit Limited
Accountants
Statutory Auditors
The Glades
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5SQ

Bankers

United National Bank Ltd
Unit 4, Cheetham Hill Shopping Center
40 Bury old Road
Manchester
M8 5EL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023


STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 which disclose with reasonable accuracy at any time the financial position of the charity and to 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 trust deed. 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.

Approved by order of the board of trustees on29 January 2024..... and signed on its behalf by:


.....
G Hassan - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF IBAD-UR-RAHMAN TRUST

Opinion

We have audited the financial statements of Ibad-Ur-Rahman Trust (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (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 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; 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 received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF IBAD-UR-RAHMAN TRUST

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: Charities SORP (FRS 102), Companies Act 2006, Charities Act 2016, and health and safety legislation.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to depreciation.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines for evidence of management bias.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation for indications of irregularities including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
IBAD-UR-RAHMAN TRUST**

Use of our 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 auditors' 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.

DJH Mitten Clarke Audit Limited

DJH Mitten Clarke Audit Limited
Accountants
Statutory Auditors
The Glades
Festival Way
Stoke-on-Trent
Staffordshire
ST15SQ

Date: 29 January 2024

IBAD-UR-RAHMAN TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	439,675	382,308	821,983	990,570
Investment income	4	149	-	149	545
Total		439,824	382,308	822,132	991,115
EXPENDITURE ON					
Charitable activities	5				
Wages		212,108	-	212,108	189,762
Establishment costs		120,684	-	120,684	99,982
Donations		331	69,870	70,201	45,280
Education and Guest speakers		88,703	-	88,703	53,888
Governance costs		8,396	-	8,396	8,919
Depreciation		94,280	9,989	104,269	100,323
Total		524,502	79,859	604,361	498,154
NET INCOME/(EXPENDITURE)		(84,678)	302,449	217,771	492,961
Transfers between funds	14	(20,923)	20,923	-	-
Net movement in funds		(105,601)	323,372	217,771	492,961
RECONCILIATION OF FUNDS					
Total funds brought forward		2,574,088	5,139,771	7,713,859	7,220,898
TOTAL FUNDS CARRIED FORWARD		2,468,487	5,463,143	7,931,630	7,713,859


The notes form part of these financial statements

IBAD-UR-RAHMAN TRUST

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Property, plant & equipment	11	2,182,104	5,463,143	7,645,247	7,393,995
CURRENT ASSETS					
Debtors	12	1,556	-	1,556	13,503
Cash at bank and in hand		348,200	-	348,200	364,435
		<u>349,756</u>	<u>-</u>	<u>349,756</u>	<u>377,938</u>
CREDITORS					
Amounts falling due within one year	13	(63,373)	-	(63,373)	(58,074)
NET CURRENT ASSETS		<u>286,383</u>	<u>-</u>	<u>286,383</u>	<u>319,864</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,468,487</u>	<u>5,463,143</u>	<u>7,931,630</u>	<u>7,713,859</u>
NET ASSETS		<u>2,468,487</u>	<u>5,463,143</u>	<u>7,931,630</u>	<u>7,713,859</u>
FUNDS	14				
Unrestricted funds				2,468,487	2,574,088
Restricted funds				5,463,143	5,139,771
TOTAL FUNDS				<u>7,931,630</u>	<u>7,713,859</u>

The financial statements were approved by the Board of Trustees and authorised for issue on29 January 2024..... and were signed on its behalf by:


.....
K Hussain - Trustee

The notes form part of these financial statements

IBAD-UR-RAHMAN TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>339,138</u>	<u>598,919</u>
Net cash provided by operating activities		<u>339,138</u>	<u>598,919</u>
Cash flows from investing activities			
Purchase of property, plant & equipment		(355,522)	(1,184,638)
Interest received		<u>149</u>	<u>545</u>
Net cash used in investing activities		<u>(355,373)</u>	<u>(1,184,093)</u>
Change in cash and cash equivalents in the reporting period		<u>(16,235)</u>	<u>(585,174)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>364,435</u>	<u>949,609</u>
Cash and cash equivalents at the end of the reporting period		<u><u>348,200</u></u>	<u><u>364,435</u></u>

The notes form part of these financial statements

IBAD-UR-RAHMAN TRUST

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	217,771	492,961
Adjustments for:		
Depreciation charges	104,269	100,323
Interest received	(149)	(545)
Decrease in debtors	11,947	615
Increase in creditors	5,300	5,565
Net cash provided by operations	339,138	598,919

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	364,435	(16,235)	348,200
	364,435	(16,235)	348,200
Total	364,435	(16,235)	348,200

The notes form part of these financial statements

IBAD-UR-RAHMAN TRUST

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

1. LEGAL STATUS

Ibad-Ur-Rahman trust is regulated by charity commission since registration on 24 May 1982.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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), second edition - October 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

After considering the role of Ibad-Ur-Rahman within the wider community (described on pages 1-6 of the Trustee's report) and risk management, the trustees have reasonable expectation that the trust has adequate resources and cash flows to meet its spending commitments for the foreseeable future.

Weekly donations continue to exceed ongoing running costs of the charity.

The trustees believe that the trust can manage the risk it faces at these challenging times and therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. In accordance with the Charities SORP (FRS102), the general volunteer time of volunteers is not recognised as income and can refer to the trustee's annual report for more information about their contribution.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Property, plant & equipment

All tangible fixed assets are held under the cost model.

Property, plant and equipment is stated at cost, less accumulated depreciation and impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land	- Not depreciated
Freehold property & building	- Straight line over 25 years
Fixtures and fittings	- 25% on reducing balance
Leasehold property	- Straight line over 65 years

Expenditure on minor items of fixtures and fittings, which are individually immaterial, are charged to the statement of financial position when incurred.

Freehold property is owned by the charity and it is used for direct charitable purposes.

The property currently under construction will not be depreciated until construction is complete.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Property, plant & equipment

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the statement of financial activities when the change arises.

Taxation

The charity is exempt from tax on its charitable activities.

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. In this case the reserves represent monies held for the development of the mosque and monies held for specific charitable work.

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

Pension costs and other post-retirement benefits

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

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.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make estimates and judgements. The estimates are based on historical experiences and other relevant factors. Actual results may differ from these estimates.

The estimates are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:-

- 1) Estimating the useful economic life of an asset and the anticipated residual value in calculating an appropriate depreciation charge.
- 2) Determining the valuation of freehold land and buildings is a key judgement.

Government grant income

Grant income that becomes receivable under 'Protection of Places of Worship Scheme' is recognised in income in the period in which it becomes receivable.

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Basic financial liabilities are initially measured at transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	821,983	944,404
Grants	-	46,166
	<u>821,983</u>	<u>990,570</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Other grants	-	46,166
	<u>-</u>	<u>46,166</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	149	545
	<u>149</u>	<u>545</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Wages	212,108	-	212,108
Establishment costs	120,684	-	120,684
Donations	70,201	-	70,201
Education and Guest speakers	88,703	-	88,703
Governance costs	-	8,396	8,396
Depreciation	104,269	-	104,269
	<u>595,965</u>	<u>8,396</u>	<u>604,361</u>

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

6. SUPPORT COSTS

	Governance costs
	£
Governance costs	8,396
	<u> </u>
	2023
	£
Audit fees	3,980
Accountancy services	4,436
	<u> </u>
	8,919
	<u> </u>

7. AUDITORS' REMUNERATION

During the year remuneration of £3,960 (2022: £3,720) was paid to the auditors of the charity.

8. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

There were no trustees' benefits or expenses for the year ended 31 March 2023, nor for the year ended 31 March 2022.

9. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	210,166	185,186
Social security costs	4,433	3,411
Other pension costs	1,412	1,165
	<u> </u>	<u> </u>
	216,011	189,762
	<u> </u>	<u> </u>

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

	2023	2022
Administration and support	33	31
	<u> </u>	<u> </u>

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

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	546,019	444,551	990,570
Investment income	545	-	545
Total	<u>546,564</u>	<u>444,551</u>	<u>991,115</u>
EXPENDITURE ON			
Charitable activities			
Wages	179,142	10,620	189,762
Establishment costs	99,982	-	99,982
Donations	-	45,280	45,280
Education and Guest speakers	53,888	-	53,888
Governance costs	8,919	-	8,919
Depreciation	90,334	9,989	100,323
Total	<u>432,265</u>	<u>65,889</u>	<u>498,154</u>
NET INCOME	114,299	378,662	492,961
Transfers between funds	<u>(750,487)</u>	<u>750,487</u>	<u>-</u>
Net movement in funds	<u>(636,188)</u>	<u>1,129,149</u>	<u>492,961</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	3,210,276	4,010,622	7,220,898
TOTAL FUNDS CARRIED FORWARD	<u><u>2,574,088</u></u>	<u><u>5,139,771</u></u>	<u><u>7,713,859</u></u>

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

11. PROPERTY, PLANT & EQUIPMENT

	Freehold land and buildings under construction £	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Totals £
COST					
At 1 April 2022	5,143,808	2,442,410	401,697	115,010	8,102,925
Additions	355,522	-	-	-	355,522
At 31 March 2023	5,499,330	2,442,410	401,697	115,010	8,458,447
DEPRECIATION					
At 1 April 2022	-	615,833	18,540	74,557	708,930
Charge for year	-	87,977	6,180	10,113	104,270
At 31 March 2023	-	703,810	24,720	84,670	813,200
NET BOOK VALUE					
At 31 March 2023	5,499,330	1,738,600	376,977	30,340	7,645,247
At 31 March 2022	5,143,808	1,826,577	383,157	40,453	7,393,995

Included in cost of land and buildings is freehold land of £449,000 (2022: £449,000) which is not depreciated.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	-	12,000
Prepayments and accrued income	1,556	1,503
	<u>1,556</u>	<u>13,503</u>

IBAD-UR-RAHMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Accrued expenses	<u>63,373</u>	<u>58,074</u>

14. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	1,107,506	(84,678)	1,445,659	2,468,487
Revaluation reserve	<u>1,466,582</u>	<u>-</u>	<u>(1,466,582)</u>	<u>-</u>
	2,574,088	(84,678)	(20,923)	2,468,487
Restricted funds				
Zakat	22,161	-	(22,161)	-
Building development appeal	-	312,438	(312,438)	-
Building development expended	<u>5,117,610</u>	<u>(9,989)</u>	<u>355,522</u>	<u>5,463,143</u>
	5,139,771	302,449	20,923	5,463,143
TOTAL FUNDS	<u>7,713,859</u>	<u>217,771</u>	<u>-</u>	<u>7,931,630</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	439,824	(524,502)	(84,678)
Restricted funds			
Zakat	26,775	(26,775)	-
Fund raising	43,095	(43,095)	-
Building development appeal	312,438	-	312,438
Building development expended	<u>-</u>	<u>(9,989)</u>	<u>(9,989)</u>
	382,308	(79,859)	302,449
TOTAL FUNDS	<u>822,132</u>	<u>(604,361)</u>	<u>217,771</u>

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	1,743,694	114,299	(750,487)	1,107,506
Revaluation reserve	1,466,582	-	-	1,466,582
	<u>3,210,276</u>	<u>114,299</u>	<u>(750,487)</u>	<u>2,574,088</u>
Restricted funds				
Zakat	26,171	(4,010)	-	22,161
Building development appeal	-	392,661	(392,661)	-
Building development expended	3,984,451	(9,989)	1,143,148	5,117,610
	<u>4,010,622</u>	<u>378,662</u>	<u>750,487</u>	<u>5,139,771</u>
TOTAL FUNDS	<u>7,220,898</u>	<u>492,961</u>	<u>-</u>	<u>7,713,859</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	546,564	(432,265)	114,299
Restricted funds			
Zakat	24,425	(28,435)	(4,010)
Playscheme	13,500	(13,500)	-
Fund raising	13,965	(13,965)	-
Building development appeal	392,661	-	392,661
Building development expended	-	(9,989)	(9,989)
	<u>444,551</u>	<u>(65,889)</u>	<u>378,662</u>
TOTAL FUNDS	<u>991,115</u>	<u>(498,154)</u>	<u>492,961</u>

Zakat

This restricted fund comprises of monies specifically to be used for making donations to other charities/madrasas particularly to those in India and Pakistan.

Building development appeal

This restricted fund comprises of all monies donated to the trust specifically for the construction of the mosque building.

Building development expended

This restricted fund comprises of all the monies that has been spent on the mosque development.

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

14. MOVEMENT IN FUNDS - continued

Transfers between funds

Restricted Funds

A total of £355,522 was transferred from the Building Development Appeal to the Building Development Expended and £43,084 from Building Development Expended to General in respect of the amount spent on mosque development and consequently capitalised.

15. RELATED PARTY DISCLOSURES

During the period, there were no related party transactions, other than those already disclosed within Note 8 - Trustee remuneration and benefits.

16. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees in the office.