

**AHL-E-SUNNAT WA JAMAAT
BAREILVI OF BIRMINGHAM**
(a charity established by trust deed)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

CONTENTS

| Page | |
|-------------|--|
| 3 - 8 | Trustees' report |
| 9 | Independent Examiner's report |
| 10 | Statement of financial activities |
| 11 | Balance sheet |
| 12 | Cash flow statement |
| 13 – 25 | Notes to the financial statements |
| 26 | Income & expenditure account |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report and financial statements for the year ended 31 March 2022. The Trustees confirm that the annual report and financial statements of the charity comply with the requirements of the charity's governing document, the Charities Act 2011, the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 01 January 2019).

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity number:

512810

Registered office:

179 – 181 Woodlands Road
Sparkhill
Birmingham
B11 4ER

Trustees:

Mohammad Hafeez
Amjad Ali Sadig
Shah Nawaz
Ashtaq Ahmed
Azim Khan
Nawaz Hussain
Mohammad Sadique
Yusuf Abdalla Mukadam
Mohammed Yaseen
Shamraiz Hussain
Nazar Hussain
Qamar Zaman
Sardar Talib
(appointed on: 27/6/2021)

Jehangir Bashir
(appointed on: 27/6/2021)
Majid Hussain
(appointed on: 27/6/2021)
Mehran Ali
(appointed on: 27/6/2021)
Abad Hussain
(appointed on: 27/6/2021)
Shah Nawaz (2)
(appointed on: 27/6/2021)

Senior Management Team:

Trustees make up the Senior Management Team and are unpaid.
All employees are part of delivery teams and not management.

Independent Examiner:

Mohammad Ansari
Ansari & Co Limited
Kings Court, 17 School Road
Birmingham
B28 8JG

Bankers:

Lloyds Bank Plc
Kitts Green
Birmingham
B26 3JW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity (which has the working names of 'Jamatia Islamic Centre' and 'JIC Woodlands') was established by a charitable trust deed on 11 July 1982 and last amended on 08 November 2020. The full name of the charity is AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM and was registered with the Charity Commission on 07 September 1982 (Charity Number: 512810).

Recruitment and appointment of trustees

The Charity is governed through a Trustee Board. Trustees who have held office during the year are listed on page 3.

Trustees are elected to the Board for a maximum period of three AGMs and are appointed by a resolution of its members at an AGM. All of the Charity's property and immovable assets are vested in the Trustees. The Trustees shall not sell, exchange, mortgage or otherwise deal with or dispose of any property or asset of the Charity unless approved by two-thirds of the members present and voting at an Extraordinary General Meeting specially called for the purpose of passing such a resolution.

Trustee induction and training

New trustees are briefed on their legal obligations under charity law, the content of the Trust deed, the committee and decision-making processes, annual budget and recent financial performance of the charity. They also meet key employees and other trustees. Trustees are expected to be respected members of the community who are proponents of Islam as understood through the Ahl-e-Sunnat Wa Jamaat and Bareilvi understandings of the faith.

Related parties

There are no related party transactions in the year or the prior year.

Key risks and uncertainties

The Trustees actively review the major risks which the Charity faces on a regular basis, in particular those relating to its operations and finances. They are satisfied that systems are in place to mitigate the charity's exposure to the major risks. The risk management strategy comprises:

- A regular review of the risks which the Charity may face;
- The adequacy of current systems and procedures to mitigate those risks identified in the strategy; and
- The implementation of procedures designed to minimise any potential risk on the Charity should any of those risks materialise.

The strategy will be reviewed regularly by the Trustees.

Trustees

None of the trustees receive any remuneration from the charity

Pay and remuneration of senior staff

Levels of salary for senior staff are reviewed annually and the key management personnel are the trustees who are not paid any remuneration.

STRUCTURE, GOVERNANCE AND MANAGEMENT (cont.)

Fundraising activities

The Charity had no significant fundraising costs in the year but raised funds from voluntary donations received from regular donors as well as donations received from beneficiaries who come to Mosque events and prayers.

OBJECTIVES AND ACTIVITIES

The objects of the charity are the advancement of the Islamic religion in accordance with the doctrines of the Ahl-e-Sunnat Wa Jamaat Bareilvi faith. In furtherance of these objects, but not otherwise, the charity shall also:

- a) Arrange and provide religious functions and religious education;
- b) Perform marriage ceremonies, burial rites, all in accordance with the Ahl-e-Sunnat Wa Jamaat Bareilvi;
- c) Co-ordinate and unify the customs, conventions and observances of the Ahl-e-Sunnat Wa Jamaat Bareilvi;
- d) Raise funds and invite and receive contribution from any person or persons whatsoever by way of subscriptions, donations or otherwise provided that the charity shall not undertake any permanent trading activities in raising funds for its charitable objects;
- e) Handle and manage at its own discretion but in accordance with the English Law charitable trusts of members that have been handed over to the charity for their management;
- f) Work in harmony with other Ahl-e-Sunnat Wa Bareilvi Jamaats;
- g) Buy, rent or build centres, mosques and such other institutions as may be necessary from time to time for the furtherance of the objects of the charity. Any centres such bought, rented or built to be named as Jamaat Islamic Centre;
- h) Do all such other things as are necessary to the attainment of the above-mentioned objects.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

The Charity promotes the benefit of the Muslim community by promoting Islam and Islamic education, relieving poverty and distress and by providing facilities for the protection of health and recreation with the aim of improving the conditions of the Muslim community as an expression of faith.

The direct benefits which can flow from this purpose are:

- To provide, maintain and equip religious facilities and places of worship which will help the Muslim community in their religious and educational life;
- To enable members of the Muslim community to integrate within the wider society and to participate fully in public and economic life within Birmingham;
- To bring a better understanding of Muslims and their traditions to the wider society in order to achieve good relations between the Muslim community and others;
- To initiate interfaith and intercommunity dialogue in order to disseminate correct knowledge about Islam and to help differentiate cultural practices from religious practices;
- To promote tolerance between people of different ethnic backgrounds/cultures and to increase equality of opportunity and equal protection amongst them.

These benefits will be evidenced through feedback from the beneficiaries of the courses, classes and religious activities, membership lists, progress reports that are sent to funders and the annual report that is shown in the AGM.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE

The Charity continued its work as a Mosque and Madarsa supplementary school following all Covid-19 related restrictions, amending its procedures when required to meet national and local guidelines.

Historically, two of the properties the charity works out of, namely, 179 and 181 Woodlands Road, Sparkhill, Birmingham, are registered at the Land Registry in the name of the Trustees of the Jamatia Trust, a separate trust to this charity.

The Management Committees of both Trusts held discussions around the viability of keeping both trusts operational and both sets of trustees of Jamatia Islamic Centre and Jamatia Trust have agreed to transfer the properties to Jamatia Islamic Centre. The Jamatia Islamic Centre constitution has been amended by members approval and solicitors have been instructed to transfer the properties. This is a long-standing issue that has been resolved by the Managing Committee with members' approval. This will strengthen the financial affairs of Jamatia Islamic Centre, as it will now acquire the legal title of two further properties, namely 179 and 181 Woodlands Road.

The Management Committee have also been approached by an attendee of Jamatia Islamic Centre, who has offered to transfer his house, valued at circa £160,000 to Jamatia Islamic Centre. The Management Committee agreed to accept this donation and have instructed solicitors to deal with the transfer. The property transfer is awaiting completion. This will further strengthen the financial position of the charity. We anticipate completion to take place by 15th August 2022.

The Management Committee carried out a staffing restructure in the year and a new Imam was appointed on a full-time basis, who has been able to attract more attendees. The weekly Friday donations have also increased. Following the lifting of covid restrictions an internal review of Madarsa staff was conducted and lessons are now taking place back at the premises. Staffing and finances were carefully handled during the pandemic to cause the least amount of financial loss and disruption.

The Management Committee inherited a dispute between the former management committee and an architect. The committee decided to instruct a new architect and had new drawings made to apply for planning approval, rather than getting into an argument with an architect over the cost for previous drawings, which were never passed. New planning was approved, and all the conditions were met.

REVIEW OF FINANCIAL POSITION

During the 2021/22 financial year, the Charity delivered a financial surplus of £120,327 (2020/21: surplus of £50,648). This surplus arose primarily thanks to a donation drive for the extension work on the Mosque building. Income overall increased by 65.6% to £330,337 compared to £199,444 in 2020/21, while over the same period expenditure increased by 41.1% to £210,010 from £148,796 in 2020/21, due mainly to an increase in staff and premises costs after the full reopening of Mosque and its activities post-pandemic lockdowns.

Expenditure on fixed assets capitalised during the year amounted to £74,069 (2020/21: £5,462), in congruence with our capitalisation policy. Fixed assets are used for charitable purposes and enable staff and volunteers to provide an optimum service to our beneficiaries.

There is an end of year restricted fund balance of £1,909 (2020/21: £56,587). This is accounted for by £1,909 left for the on-going Gharvi shari' events the Mosque runs and which is expected to be fully spent by March 2023.

REVIEW OF FINANCIAL POSITION (cont.)

Reserves Policy

The Trustee Board reviews and updates its reserves policy annually to ensure its compliance with Charity Commission best practice. This requires reserves to be available to cover future contingencies and liabilities. The Reserves Policy requires at least three months' expenditure to be held as unrestricted designated funds, equating to £52,503 at expected 2022/23 expenditure levels. The Charity also has a designated fund of £1,080,015 for tangible fixed assets which are not readily available funds for the use of the Charity. The unrestricted and undesignated general free reserves at 31 March 2022 was £389,181 (2021: £1,346,694) after designating reserves of £1,132,518 (2021: £Nil). Restricted reserves at the end of the year amount to £1,909 (2021: £56,587).

Going Concern

The Charity reported a significant cash inflow of £66,979 for the year and the Charity expects to make an inflow in 2022/23. Whilst there is a significant Mosque extension planned, fundraising for this has begun and work will be limited to the extent of the funds received and to a maximum use of funds which would not take us below our minimum reserves policy requirements.

After making further appropriate enquiries, together with our reserves and expenditure control, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and at least twelve months from the date of signing this report, as required. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Political Donations

No donations of monies or donated goods were made to any political parties or political campaigns in the year (2020/21: £Nil).

FUTURE PLANS

The management committee have begun a fundraising drive to raise funds for an extension of the current building to include a Youth Centre, an Elderly Day Centre, a purpose built Islamic Education Centre, better prayer facilities for ladies, sitting area for bereavements and facilities to make a future application for funeral services. A construction contract has been given and the work has commenced. The completion of this work will make the Mosque an iconic building in this vicinity and provide greater services to the community. The complete project is likely to cost between £1.5m - £2m in total. We hope to complete the works by summer 2024 (2-year project).

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which give a true and fair view of the state of affairs of the Charity and the incoming resources and application of resources, including the net income and expenditure for the year. In preparing those financial statements, the Trustees are required to:

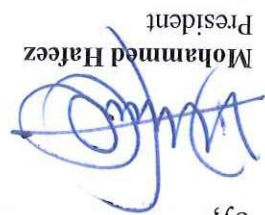
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and all other applicable law. 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.

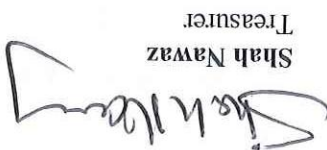
Accounts preparation

The Trustees confirm that the accounts comply with current statutory requirements, and with those of the governing instrument.

The Trustees' report was approved by the board, authorised for issue on 29 August 2022, and signed on its behalf by,


Mohammed Hafeez
President


Anjad Sadig
Vice Secretary


Shah Nawaz
Treasurer

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

I report on the financial statements of the charity for the year ended 31 March 2022 which is set out on pages 10 to 25.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 and the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective Responsibilities of Trustees and Examiner

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

Having satisfied myself that the charity is not subject to audit under charity law and is eligible for independent examination, it is my responsibility to:

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

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Trustees, concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention:-

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 130 of the Act; and
 - to prepare financial statements which accord with the accounting records and comply with accounting requirements of the Act and with the methods and principles of the Statement of Recommended Practice; Accounting and Reporting by Charitieshave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Mohammod Ansari
Ansari & Co Limited

Charity Accountants & Consultants
Kings Court, 17 School Road, Birmingham, B28 8JG

Dated: 29 August 2022

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

| | Note | Unrestricted Funds | Restricted Funds | Total 2022 | Unrestricted Funds | Restricted Funds | Total 2021 |
|---|-------|--------------------|------------------|----------------|--------------------|------------------|----------------|
| Income from: | | | | | | | |
| Donations and legacies | 2 | 254,714 | 674 | 255,388 | 89,155 | 9,438 | 98,593 |
| Charitable activities | 3 | 61,522 | - | 61,522 | 41,637 | - | 41,637 |
| Activities for generating funds | 4 | 12,974 | - | 12,974 | 26,647 | - | 26,647 |
| Other income | 5 | 453 | - | 453 | - | 32,567 | 32,567 |
| Total income | | 329,663 | 674 | 330,337 | 157,439 | 42,005 | 199,444 |
| Expenditure on: | | | | | | | |
| Raising funds | 6 | 656 | - | 656 | 258 | - | 258 |
| Charitable activities | 7,8 | 207,626 | 1,405 | 209,031 | 148,238 | 300 | 148,538 |
| Other expenditure | 9 | 323 | - | 323 | - | - | - |
| Total expenditure | | 208,605 | 1,405 | 210,010 | 148,496 | 300 | 148,796 |
| Net income/(expenditure) before transfer | | 121,058 | (731) | 120,327 | 8,943 | 41,705 | 50,648 |
| Transfers between funds | 18,19 | 53,947 | (53,947) | - | - | - | - |
| Net movement in funds | | 175,005 | (54,678) | 120,327 | 8,943 | 41,705 | 50,648 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward at 01 April 2021 | | 1,346,694 | 56,587 | 1,403,281 | 1,337,751 | 14,882 | 1,352,633 |
| Total funds carried forward at 31 March 2022 | | 1,521,699 | 1,909 | 1,523,608 | 1,346,694 | 56,587 | 1,403,281 |

The statement of financial activities includes all gains and losses in the current and comparative year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 25 form part of these financial statements.

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

BALANCE SHEET As at 31 March 2022

| | Note | 2022 | 2021 |
|--|------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 14 | 1,080,015 | 1,034,621 |
| Current assets | | | |
| Debtors | 15 | 9,704 | - |
| Cash at bank and in hand | 26 | 445,612 | 378,633 |
| Liabilities | | | |
| Creditors: amounts falling due within one year | 16 | (11,723) | (9,973) |
| Net current assets | | 443,593 | 368,660 |
| Total net assets | | 1,523,608 | 1,403,281 |
| Funds of the charity | | | |
| Unrestricted funds: | 18 | | |
| General funds | | 389,181 | 1,346,694 |
| Designated funds | | 1,132,518 | - |
| Restricted funds | 19 | 1,909 | 56,587 |
| Total charity funds | 20 | 1,523,608 | 1,403,281 |

The financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A – small entities. The accounts were approved by the Board, authorised for issue on 29 August 2022, and signed on its behalf by,

Mohammed Hafeez
President

Amjad Sadig
Vice Secretary

Shah Nawaz
Treasurer

The notes on pages 13 to 25 form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

The notes on pages 13 to 25 form part of these financial statements.

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM is a charity established by Trust deed and registered with the Charity Commission under number: 512810. The registered office address: 179 – 181 Woodlands Road, Sparkhill, Birmingham, B11 4ER.

I Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

The financial statements are prepared in Sterling and rounded to the nearest £1.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income

All income is included in the statement of financial activities when the charity is entitled to the funds and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from government and other grants, where related to performance and specific deliverables, are accounted for when it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donated services and facilities are included at the value to the charity where this can be quantified and is material. The value of services provided by volunteers has not been included in these accounts.

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting Policies (continued)

1.4 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Expenditure on raising funds; comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. The primary functional activity of the charity is the giving of free and confidential advice to the public. It includes both costs that can be allocated directly to this activity and those costs of an indirect nature necessary to support them.

Support costs include all those overhead costs of office and bureau accommodation, utility services, and other services and costs, which are in support of the activity. They also include those costs not associated with the other two headings and includes costs of meeting the constitutional and statutory requirements of the charity, the audit fees and costs linked to the strategic management of the charity. They have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. staff costs by time spent and other costs by estimated usage.

1.5 Operating leases

The charity classifies the lease of property as operating leases; the title to the property remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.6 Tangible fixed assets and depreciation

All assets individually costing more than £1,000 are capitalised.

Tangible fixed assets other than freehold land are stated at cost less depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

| | |
|-----------------------------|--|
| Freehold land and buildings | 1% on the straight-line method-commencing year after acquisition |
| WIP Building | 0% - Capitalisation of extension work to existing Mosque building. Value will be transferred to Freehold land and buildings once complete. |
| Furniture & equipment | 20% on the straight line method |
| Fixtures & fittings | 20% on the straight line method |

1.7 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting Policies (continued)

1.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.10 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.11 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Land & buildings - The trustees are not using the revaluation method for valuation of land & buildings at present. They may decide to do so once the new extension work is complete. Values are therefore based on historical cost. The trustees consider that there are no significant areas of key judgement or estimation uncertainty other than those identified in the accounting policies above.

1.12 Going concern

The Charity reported a significant cash inflow of £66,979 for the year and the Charity expects to make an inflow in 2022/23. Whilst there is a significant Mosque extension planned, fundraising for this has begun and work will be limited to the extent of the funds received and to a maximum use of funds which would not take us below our minimum reserves policy requirements.

After making further appropriate enquiries, together with our reserves and expenditure control, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and at least twelve months from the date of signing this report, as required. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

| 2 | Donations & legacies | Unrestricted Funds | Restricted Funds | Total | 2022 | 2021 | £ |
|---|--|--------------------|------------------|---------|--------|------|---|
| | | | | | | | |
| 3 | Income from charitable activities | 254,714 | 674 | 255,388 | 98,593 | | |
| | | 159,490 | - | 159,490 | 19,188 | | |
| | | 63,910 | - | 63,910 | 41,443 | | |
| | | 7,068 | - | 7,068 | 3,820 | | |
| | | - | - | - | 758 | | |
| | | - | 674 | 674 | 100 | | |
| | | - | - | - | 8,580 | | |
| | | 24,246 | - | 24,246 | 24,704 | | |
| | | - | - | - | | | |
| | | - | - | - | | | |
| | Total income from charitable activities | 61,522 | - | 61,522 | 41,637 | | |
| | | 12,549 | - | 12,549 | 12,175 | | |
| | | 11,649 | - | 11,649 | 11,230 | | |
| | | 900 | - | 900 | 945 | | |
| | | 44,193 | - | 44,193 | 24,972 | | |
| | | 44,193 | - | 44,193 | 24,972 | | |
| | | 4,780 | - | 4,780 | 4,490 | | |
| | | 3,330 | - | 3,330 | 3,355 | | |
| | | 1,450 | - | 1,450 | 1,135 | | |
| | | £ | £ | £ | £ | | |
| | Mosque: Marriage, divorce and other advice services Radio Azan | 3,330 | - | 3,330 | 3,355 | | |
| | | 1,450 | - | 1,450 | 1,135 | | |
| | | 4,780 | - | 4,780 | 4,490 | | |
| | | 44,193 | - | 44,193 | 24,972 | | |
| | | 44,193 | - | 44,193 | 24,972 | | |
| | | 11,649 | - | 11,649 | 11,230 | | |
| | | 900 | - | 900 | 945 | | |
| | | 12,549 | - | 12,549 | 12,175 | | |
| | | 61,522 | - | 61,522 | 41,637 | | |
| | | £ | £ | £ | £ | | |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

| | | | | | | |
|---|--|----------------------------|--------------------|------------------|---------|---------|
| 4 | Activities for generating funds | | Unrestricted Funds | Restricted Funds | Total | |
| | | Rental income | 12,374 | - | 12,374 | 25,297 |
| | | Advertisements | 600 | - | 600 | 1,350 |
| | | | 12,974 | - | 12,974 | 26,647 |
| 5 | Other income | | Unrestricted Funds | Restricted Funds | Total | |
| | | JRS grant | 453 | - | 453 | 32,567 |
| 6 | Expenditure on raising funds | | Unrestricted Funds | Restricted Funds | Total | |
| | | Fundraising fees & charges | 656 | - | 656 | 258 |
| 7 | Expenditure on charitable activities by fund | | Unrestricted Funds | Restricted Funds | Total | |
| | | Mosque Academy | 104,355 | 1,405 | 105,760 | 93,992 |
| | | | 103,271 | - | 103,271 | 54,546 |
| | | | 207,626 | 1,405 | 209,031 | 148,538 |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

8 Analysis of expenditure on charitable activities

| Basis of Allocation | Mosque | Academy | Total | 2022 | 2021 |
|--|--|------------------|---------|---------|---------|
| | | | | | |
| Direct costs: | Activities | - | 4,882 | 4,882 | 1,150 |
| | Salaries and wages (incl. contractors) | 75,608 | 35,655 | 111,263 | 85,115 |
| Direct costs: | Non-salary staff & volunteer costs | - | 600 | 600 | - |
| | Office costs | 658 | 1,610 | 2,268 | 649 |
| Support costs: | Salaries wages | 6,826 | 15,929 | 22,755 | 20,645 |
| | Office costs | 764 | 1,783 | 2,547 | 1,904 |
| Support costs: | Premises costs | 17,252 | 40,255 | 57,507 | 31,990 |
| | Governance costs | 1,836 | 4,283 | 6,119 | 5,204 |
| Support costs: | Other costs | 327 | 763 | 1,090 | 1,881 |
| | | 27,005 | 63,013 | 90,018 | 61,624 |
| Total expenditure on charitable activities | | | | | |
| | 105,760 | 103,271 | 209,031 | | 148,538 |
| 9 Other expenditure | Unrestricted Funds | Restricted Funds | Total | 2022 | 2021 |
| | £ | £ | £ | | |
| 9 | Flat related service charges | - | 323 | 323 | - |
| | | | | | |
| Net incoming resources for the year | | | | | |
| 10 | This is stated after charging:- | | | | |
| | Independent examiner fees | 1,305 | 28,675 | | 16,972 |
| | Depreciation and Impairment Charges | - | - | | - |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11 Trustees

During the current or previous year no remuneration or benefits for services as a trustee have been paid or were payable, directly or indirectly, out of the funds of the charity to any trustee or to any person known to be connected with them.

Reimbursement of travel and incidental expenses to the trustees came to £Nil during the year to 31 March 2022 (2020/21: £Nil).

Expenses related to the costs of Trustees' meetings including the AGM totalled £Nil (2020/21: £Nil).

12 Employees

| 2022 | 2021 |
|------------|------------|
| Head Count | Head Count |
| 3 | 2 |
| 5 | 4 |
| 2 | 2 |
| 10 | 8 |

Mosque Imams & staff
Academy staff
Caretakers

The average number of employees, analysed by function was:

| 2022 | 2021 |
|-----------------------|--------|
| £ | £ |
| 99,532 | 72,948 |
| 602 | - |
| Employed staff costs | |
| Social security costs | |

Employment costs

100,134

72,948

No employee received remuneration amounting to more than £60,000 in the period (2020/21: None)

The key management personnel of the Charity were comprised of unpaid trustees and volunteers. The total employee benefits of the key management personnel of the Charity therefore, were £Nil (2020/21: £Nil).

No employees were made redundant in the year (2020/21: None). The total cost of the redundancy payments amounted to £Nil (2020/21: £Nil). The policy of the charity is to recognise redundancy payments in full when they become due.

During the current or previous year no remuneration or benefits for services as a trustee have been paid or were payable, directly or indirectly, out of the funds of the charity to any trustee or any person known to be connected with them.

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13 Volunteers

The Trustee Board recognise the tremendous contribution made by our volunteers without whom the service could not operate.

14 Fixed Assets

| | WIP | Land & buildings | Furniture & equipment | Fixtures & fittings | Total |
|-----------------------|--------|------------------|-----------------------|---------------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 31 March 2021 | - | 1,122,095 | - | 86,465 | 1,208,560 |
| Additions | 72,995 | - | 1,074 | - | 74,069 |
| At 31 March 2022 | 72,995 | 1,122,095 | 1,074 | 86,465 | 1,282,629 |
| Depreciation | | | | | |
| At 31 March 2021 | - | 129,647 | - | 44,292 | 173,939 |
| Charge in the year | - | 11,221 | 161 | 17,293 | 28,675 |
| At 31 March 2022 | - | 140,868 | 161 | 61,585 | 202,614 |
| Net book value | | | | | |
| At 31 March 2022 | 72,995 | 981,227 | 913 | 24,880 | 1,080,015 |
| At 31 March 2021 | - | 992,448 | - | 42,173 | 1,034,621 |

WIP building is the category for Mosque extension work costs. This is a non-depreciating asset category. Once the work is complete the value will be transferred to Land & buildings. It is estimated the significant extension work could take 2-3 years to complete.

15 Debtors

| | | | |
|------|----------------------------|-------------------------|---------------------|
| | Membership fees receivable | Academy fees receivable | Gift aid receivable |
| 2022 | £ | £ | £ |
| 2021 | 2,800 | 3,645 | 3,259 |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| | 9,704 | - | - |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

| | | | |
|----|--|--------------------------------|--------------------------|
| 16 | Creditors: amounts falling due within one year | 2022 | 2021 |
| | | £ | £ |
| 17 | Financial instruments | 2022 | 2021 |
| | | £ | £ |
| | Financial assets | 445,612 | 378,633 |
| | | 2,800 | - |
| | Financial liabilities | 2,431 | 598 |
| | | 2,017 | 2,450 |
| | Unrestricted funds | 11,723 | 9,973 |
| | | 1,521,699 | 1,080,015 |
| | Total Unrestricted funds | 1,346,694 | 329,663 |
| | | 208,605 | 53,947 |
| | Current year (2021/22): | Balance at 31 March 2021 | Balance at 31 March 2022 |
| | | £ | £ |
| | General funds | 1,346,694 | 389,181 |
| | | Designated funds: Fixed assets | 1,080,015 |
| | Designated funds: Reserves policy | - | 52,503 |
| | | - | - |
| | Total Unrestricted funds | 1,346,694 | 1,521,699 |
| | | 208,605 | 53,947 |

There is a designated fund of £1,080,015 created for fixed assets (2020/21: £Nil) as this amount is not readily available to spend on the charitable objects of the Charity, and another of £52,503 to cover 3 months' estimated expenditure, as per the reserves policy (2021/22: £Nil).

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

18 Unrestricted funds (cont.)

| Prior year (2020/21): | | | | | |
|--------------------------|--------------------|--------------------|------------------------|--------------------------|--------------------------|
| Balance at 31 March 2020 | Incoming resources | Resources expended | Transfer Between Funds | Balance at 31 March 2021 | |
| £ | £ | £ | £ | £ | |
| 1,337,751 | 157,440 | (148,496) | - | 1,346,695 | General funds |
| 1,337,751 | 157,440 | (148,496) | - | 1,346,695 | Total Unrestricted funds |

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations received for specific purposes:

Current year (2021/22):

| Balance at 31 March 2021 | Incoming resources | Resources expended | Transfer Between Funds | Balance at 31 March 2022 | |
|--------------------------|--------------------|--------------------|------------------------|--------------------------|------------------|
| £ | £ | £ | £ | £ | |
| 2,640 | 674 | (1,405) | - | 1,909 | Giarvi sharif |
| 21,380 | - | - | (21,380)* | - | Extension appeal |
| 32,567 | - | - | (32,567)* | - | JRS grant |
| 56,587 | 674 | (1,405) | (53,947) | 1,909 | Total |

*Funds transferred into unrestricted funds from restricted funds represent a paying back of funds for funds already used through unrestricted funds in prior periods.

Prior year (2020/21):

| Balance at 31 March 2020 | Incoming resources | Resources expended | Transfer Between Funds | Balance at 31 March 2021 | |
|--------------------------|--------------------|--------------------|------------------------|--------------------------|------------------|
| £ | £ | £ | £ | £ | |
| 2,840 | 100 | (300) | - | 2,640 | Giarvi sharif |
| 12,800 | 8,580 | - | - | 21,380 | Extension appeal |
| (758) | 758 | - | - | - | Fitrana |
| - | 32,567 | - | - | 32,567 | JRS grant |
| 14,882 | 42,005 | (300) | - | 56,587 | Total |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

19 Restricted funds (cont.)

Restricted Project Descriptions:

Giarvi sharii

This project represents events performed at the Mosque commemorating Shaykh Abdul Qadir Jilani. He was the benefactor of the Qadri Tariqa flourishing in the entire world. Sufi communities celebrate him annually on the 11th Islamic month of Rabi-ul-Aakhir or on the 11th day of any Islamic lunar month. It is marked by various religious gatherings along with sharing of Niyaz or Tabarruk (freely given sacred meal).

Extension appeal

This was a fundraising appeal to raise funds for the Mosque extension, the work of which began in the current 2021/22 year and these funds have since been used and capitalized into the WIP buildings in Fixed assets.

JRS grant

This was the furlough fund paid by the government during the Covid-19 lockdowns. These funds have been transferred into unrestricted as they have already been used in the paying of furlough salaries in the prior year (2020/21).

20 Analysis of net assets between funds

| End of current period (2021/22): | Unrestricted funds | Restricted funds | Total |
|------------------------------------|--------------------|------------------|------------------|
| Fund balances at 31 March 2022 are | | | |
| represented by: | | | |
| Investment property | 225,000 | - | 225,000 |
| Net current assets | 929,614 | 18,322 | 947,936 |
| Provisions | (80,000) | - | (80,000) |
| | <u>1,074,614</u> | <u>18,322</u> | <u>1,092,936</u> |
| End of prior period (2020/21): | Unrestricted funds | Restricted funds | Total |
| Fund balances at 31 March 2021 are | | | |
| represented by: | | | |
| Investment property | 225,000 | - | 225,000 |
| Net current assets | 929,614 | 18,322 | 947,936 |
| Provisions | (80,000) | - | (80,000) |
| | <u>1,074,614</u> | <u>18,322</u> | <u>1,092,936</u> |

| End of current period (2021/22): | Unrestricted funds | Restricted funds | Total |
|------------------------------------|--------------------|------------------|------------------|
| Fund balances at 31 March 2022 are | | | |
| represented by: | | | |
| Investment property | 225,000 | - | 225,000 |
| Net current assets | 929,614 | 18,322 | 947,936 |
| Provisions | (80,000) | - | (80,000) |
| | <u>1,074,614</u> | <u>18,322</u> | <u>1,092,936</u> |
| End of prior period (2020/21): | Unrestricted funds | Restricted funds | Total |
| Fund balances at 31 March 2021 are | | | |
| represented by: | | | |
| Investment property | 225,000 | - | 225,000 |
| Net current assets | 929,614 | 18,322 | 947,936 |
| Provisions | (80,000) | - | (80,000) |
| | <u>1,074,614</u> | <u>18,322</u> | <u>1,092,936</u> |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21 Commitments under operating leases

As lessor:

As at 31 March 2022, the charity had commitments owed to it under non-cancellable operating leases as follows:

| Land and buildings | | |
|-----------------------------|-------|-------|
| | 2022 | 2021 |
| | £ | £ |
| Within one year | 5,833 | 5,358 |
| Between one and three years | - | - |

22 Related parties

There are no related party transactions in the year or the prior year.

23 Reconciliation of cash flows from operating

activities

| | 2022 | 2021 |
|---|---------|---------|
| | £ | £ |
| Net income / (expenditure) for the reporting period | 120,327 | 50,648 |
| Add: Depreciation charge | 28,675 | 16,972 |
| (Increase) / decrease in debtors | (9,704) | - |
| Increase / (decrease) in creditors | 1,750 | (5,009) |
| Net cash provided by operating activities | 141,048 | 62,611 |

24 Analysis of cash and cash equivalents

| | 2022 | 2021 |
|---------------------------------|---------|---------|
| | £ | £ |
| Cash at bank and in hand | 445,612 | 378,633 |
| Total cash and cash equivalents | 445,612 | 378,633 |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

24A Analysis of changes in net debt

| | Cash | | |
|-----------------------|---------|---------------------------|---------------------|
| Start of year £ | 378,633 | Cashflows in year £ | End of year £ |
| | 378,633 | 66,979 | 445,612 |
| | 378,633 | 66,979 | 445,612 |

AHL-E-SUNNAT WA JAMAAT BAREILVI OF BIRMINGHAM

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022 & PRIOR YEAR COMPARISON

| | 2022 | 2021 |
|---------------------------------------|----------------|----------------|
| INCOME | £ | £ |
| General donations | 159,490 | 19,188 |
| Jummah collections | 63,910 | 41,443 |
| Eid donations | 7,068 | 3,820 |
| Gharvi collections | 674 | 100 |
| Other collections & appeals | - | 9,338 |
| Gift aid claimed | 24,246 | 24,704 |
| Grants income | 453 | 32,567 |
| Madrasah fees | 44,193 | 24,972 |
| Membership fees | 11,649 | 11,230 |
| Marriage & advice services | 3,330 | 3,355 |
| Rag collection | 900 | 945 |
| Azaan radios income | 1,450 | 1,135 |
| Advertising income | 600 | 1,350 |
| Rental income | 12,374 | 25,297 |
| TOTAL INCOME | 330,337 | 199,444 |
| EXPENDITURE | £ | £ |
| Salaries & wages | 100,134 | 72,948 |
| Contract wages | 33,884 | 32,813 |
| Staff travel & other costs | 600 | - |
| Events: Gharvi expenses | 1,405 | 300 |
| Events: Talks & Speakers fees | 2,527 | - |
| Office: Depreciation | 17,454 | 5,751 |
| Office: Equipment & IT costs | 1,212 | 1,166 |
| Office: Printing & stationery | 658 | 649 |
| Office: Accountancy & consultancy | 647 | 2,855 |
| Office: Telephone & internet | 1,174 | 738 |
| Office: Subsistence & refreshments | 963 | - |
| Premises: Depreciation | 11,221 | 11,221 |
| Premises: Insurance | 3,350 | 3,250 |
| Premises: Utilities | 9,543 | 4,574 |
| Premises: Repairs & maintenance | 14,577 | 5,142 |
| Premises: Cleaning | 972 | 1,172 |
| Premises: Service charges | 323 | - |
| Premises: Other | 552 | 879 |
| Governance: Legal & professional fees | 4,814 | 1,949 |
| Governance: Audit/Examination fees | 1,305 | - |
| Other: Grants & disbursements paid | 150 | - |
| Other: Fundraising costs | 656 | 258 |
| Other: Publicity & promotion | 999 | - |
| Other: Radio costs | 800 | 850 |
| Other: Miscellaneous expenses | 90 | 2,281 |
| TOTAL EXPENDITURE | 210,010 | 148,796 |
| NET INCOME | 120,327 | 50,648 |