

REGISTERED CHARITY NUMBER: 512616

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
FOR
IBAD-UR-RAHMAN TRUST**

DTE Business Advisers Limited
Chartered Accountants
Statutory Auditors
The Exchange
5 Bank Street
Bury
BL9 0DN

IBAD-UR-RAHMAN TRUST
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FOR THE YEAR ENDED 31 MARCH 2017

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IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

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 law of 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.

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

ACHIEVEMENT AND PERFORMANCE

Probation Office Building

During the year the trust secured the purchase of the leasehold for the adjacent building vacated by the Probation Service. The trust is 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.

IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

ACHIEVEMENT AND PERFORMANCE

Reconstruction of the Mosque Building

The main Mosque building has been demolished and work has started on building a new larger and more impressive building to replace it, which is expected to be completed by December 2018. All functions of the Mosque are taking place in the Annexe Building during the period of reconstruction.

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.

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.

18 part time teachers have been employed 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.

IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

ACHIEVEMENT AND PERFORMANCE

FINANCIAL REVIEW

Financial position

Results for the year:

For the year ended 31 March 2017 the total incoming resources amounted to £1,277,699 (2016: £545,533). Of this income £1,261,674 was received by way of donations, with £954,692 classified as restricted funds being donated specifically in response to an appeal for the development of the Mosque, Zakat and specific fundraising. The balance is unrestricted and undesignated. Other income relates to bank interest receivable which totalled £16,025.

Resources expended totalled £264,540 compared to £304,922 in 2016.

Net resources for the year were £1,013,159 (2016: £240,611)

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 £5,684,724. Of this, £3,521,026 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. 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 will be completed approximately in next 12 months.
- Negotiations are on-going with Manchester City Council to purchase a plot of land close to the Mosque on Humphrey Street to build a purpose built Mortuary and Chapel of Rest for the local Muslim community.
- The purchase of the Leasehold of the Probation Office has been secured by the trust. Once possession is obtained it is envisaged that it will be used for Community and Educational activities.

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.

IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 2 full time employees (Chief Imam and an office administrator\caretaker), 3 part time Assistant Imams, 18 part time teachers of Islamic Studies, Arabic and Urdu.

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.

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 to 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.

IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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

Q Azmi		
Dr A Ali	- deceased	15.02.2017
K Hussain		
I Hanif		
M A Majid	- resigned	26.10.2017
G Hassan	- appointed	16.02.2017
D Fozdar	- appointed	1.11.2017

IBAD-UR-RAHMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

DTE Business Advisers Limited
Chartered Accountants
Statutory Auditors
The Exchange
5 Bank Street
Bury
BL9 0DN

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).

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 on 30 January 2018 and signed on its behalf by:


G Hassan - Trustee

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

We have audited the financial statements of Ibad-Ur-Rahman Trust for the year ended 31 March 2017 on pages ten to twenty. 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).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 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.



DTE Business Advisers Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
The Exchange
5 Bank Street
Bury
BL9 0DN

Date: 31 January 2018

IBAD-UR-RAHMAN TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	306,982	954,692	1,261,674	525,349
Investment income	4	<u>16,025</u>	<u>-</u>	<u>16,025</u>	<u>20,184</u>
Total		323,007	954,692	1,277,699	545,533
EXPENDITURE ON					
Charitable activities					
Building Development	5	1,200	-	1,200	-
Wages		121,071	-	121,071	151,319
Establishment costs		11,505	-	11,505	14,178
Motor costs		188	-	188	350
Donations		2,523	23,003	25,526	18,048
Education and sport		5,510	-	5,510	2,837
Direct costs		94,204	-	94,204	110,375
Other		<u>5,336</u>	<u>-</u>	<u>5,336</u>	<u>7,815</u>
Total		241,537	23,003	264,540	304,922
NET INCOME		81,470	931,689	1,013,159	240,611
Transfers between funds	14	<u>19,978</u>	<u>(19,978)</u>	<u>-</u>	<u>-</u>
Net movement in funds		101,448	911,711	1,013,159	240,611
RECONCILIATION OF FUNDS					
Total funds brought forward		3,419,578	1,251,987	4,671,565	4,430,954
TOTAL FUNDS CARRIED FORWARD		<u>3,521,026</u>	<u>2,163,698</u>	<u>5,684,724</u>	<u>4,671,565</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

IBAD-UR-RAHMAN TRUST
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	11	2,247,596	1,384,500	3,632,096	2,911,638
CURRENT ASSETS					
Debtors	12	44,332	-	44,332	8,838
Cash at bank and in hand		<u>1,254,753</u>	<u>779,198</u>	<u>2,033,951</u>	<u>1,787,664</u>
		1,299,085	779,198	2,078,283	1,796,502
CREDITORS					
Amounts falling due within one year	13	<u>(25,655)</u>	-	<u>(25,655)</u>	<u>(36,575)</u>
NET CURRENT ASSETS		<u>1,273,430</u>	<u>779,198</u>	<u>2,052,628</u>	<u>1,759,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,521,026</u>	<u>2,163,698</u>	<u>5,684,724</u>	<u>4,671,565</u>
NET ASSETS		<u>3,521,026</u>	<u>2,163,698</u>	<u>5,684,724</u>	<u>4,671,565</u>
FUNDS	14				
Unrestricted funds				3,521,026	3,419,578
Restricted funds				<u>2,163,698</u>	<u>1,251,987</u>
TOTAL FUNDS				<u>5,684,724</u>	<u>4,671,565</u>

The financial statements were approved by the Board of Trustees on 30 January 2018 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 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>1,070,583</u>	<u>349,050</u>
Net cash provided by (used in) operating activities		<u>1,070,583</u>	<u>349,050</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(800,321)	(361,632)
Deposit on new property		(40,000)	-
Interest received		<u>16,025</u>	<u>20,184</u>
Net cash provided by (used in) investing activities		<u>(824,296)</u>	<u>(341,448)</u>
Change in cash and cash equivalents in the reporting period		<u>246,287</u>	<u>7,602</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,787,664</u>	<u>1,780,062</u>
Cash and cash equivalents at the end of the reporting period		<u>2,033,951</u>	<u>1,787,664</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 2017

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

	2017	2016
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,013,159	240,611
Adjustments for:		
Depreciation charges	79,863	98,660
Interest received	(16,025)	(20,184)
Decrease in debtors	4,506	28,212
(Decrease)/increase in creditors	<u>(10,920)</u>	<u>1,751</u>
Net cash provided by (used in) operating activities	<u>1,070,583</u>	<u>349,050</u>

IBAD-UR-RAHMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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 of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2015. No adjustments were required as a result of the transition.

After considering the role of Ibad-Ur-Rahman within the wider community (described on pages 1-6 of the annual 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. Accordingly, they continue to adopt the going concern basis of accounting in preparing the 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.

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.

Tangible fixed assets

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

Freehold property & building	- Straight line over 25 years
Fixtures and fittings	- 25% on reducing balance

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.

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.

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

2. ACCOUNTING POLICIES - continued

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) Reviewing the valuation of freehold land and buildings and determining whether there are any indicators of impairment of the charity's tangible assets.

3. DONATIONS AND LEGACIES

	2017	2016
	£	£
Donations	<u>1,261,674</u>	<u>525,349</u>

4. INVESTMENT INCOME

	2017	2016
	£	£
Deposit account interest	<u>16,025</u>	<u>20,184</u>

IBAD-UR-RAHMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

5. CHARITABLE ACTIVITIES COSTS

	Totals £
Building Development	1,200
Wages	121,071
Establishment costs	11,505
Motor costs	188
Donations	25,526
Education and sport	5,510
Direct costs	<u>94,204</u>
	<u><u>259,204</u></u>

6. SUPPORT COSTS

	Governance costs £
Other resources expended	<u><u>5,336</u></u>

7. AUDITORS' REMUNERATION

During the year remuneration of £3,600 (2016: £3,000) was paid to the auditors of the charity.

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' benefits or expenses for the year ended 31 March 2017, nor for the year ended 31 March 2016.

Qamaruzzaman Azmi (Chief Imam) was appointed as trustee in July 2009, Mr Azmi is in the receipt of a salary for his position as Chief Imam. During the year ended 31 March 2017, £23,400 (2016: £22,377) was paid to Mr Azmi.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017, nor for the year ended 31 March 2016.

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

9. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	116,074	144,135
Social security costs	4,807	7,184
Other pension costs	<u>190</u>	<u>-</u>
	<u>121,071</u>	<u>151,319</u>

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

	2017	2016
Administration and support	<u>20</u>	<u>36</u>

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	231,429	293,920	525,349
Investment income	<u>20,184</u>	<u>-</u>	<u>20,184</u>
Total	251,613	293,920	545,533
EXPENDITURE ON			
Charitable activities			
Wages	151,319	-	151,319
Establishment costs	14,178	-	14,178
Motor costs	350	-	350
Donations	3,458	14,590	18,048
Education and sport	2,837	-	2,837
Direct costs	110,375	-	110,375
Other	<u>7,815</u>	<u>-</u>	<u>7,815</u>
Total	<u>290,332</u>	<u>14,590</u>	<u>304,922</u>
NET INCOME	(38,719)	279,330	240,611

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	3,458,297	972,657	4,430,954
TOTAL FUNDS CARRIED FORWARD	<u>3,419,578</u>	<u>1,251,987</u>	<u>4,671,565</u>

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings under construction £	Freehold land and buildings £	Fixtures and fittings £	Totals £
Cost or Valuation				
At 1 April 2016	560,432	2,442,410	63,855	3,066,697
Additions	<u>800,321</u>	-	-	<u>800,321</u>
At 31 March 2017	<u>1,360,753</u>	<u>2,442,410</u>	<u>63,855</u>	<u>3,867,018</u>
Depreciation				
At 1 April 2016	-	97,696	57,363	155,059
Charge for year	-	<u>78,256</u>	<u>1,607</u>	<u>79,863</u>
At 31 March 2017	-	<u>175,952</u>	<u>58,970</u>	<u>234,922</u>
Net book value				
At 31 March 2017	<u>1,360,753</u>	<u>2,266,458</u>	<u>4,885</u>	<u>3,632,096</u>
At 31 March 2016	<u>560,432</u>	<u>2,344,714</u>	<u>6,492</u>	<u>2,911,638</u>

Included in cost or valuation of land and buildings is freehold land of £449,000 which is not depreciated.

The freehold property is the Jamia Mosque, Woodlands Road, Woodland Street, Cheetham Hill. A valuation of £2,636,000 was provided by Aspin and Company Chartered Surveyors on 19 June 2013. This includes the land on which the redevelopment of the mosque is currently ongoing, with a value of £206,000. The balance of £2,430,000 relates to the value of the land and other buildings which will not be demolished. The trustees consider the valuation to still be appropriate as at 31 March 2017.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Prepayments and accrued income	<u>44,332</u>	<u>8,838</u>

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Accrued expenses	<u>25,655</u>	<u>36,575</u>

14. MOVEMENT IN FUNDS

	At 1.4.16	Net movement in funds	Transfers between funds	At 31.3.17
	£	£	£	£
Unrestricted funds				
General fund	1,762,691	81,470	83,413	1,927,574
Revaluation reserve	<u>1,656,887</u>	-	<u>(63,435)</u>	<u>1,593,452</u>
	3,419,578	81,470	19,978	3,521,026
Restricted funds				
Zakat	6,150	(379)	-	5,771
Building development appeal	641,680	932,068	(800,321)	773,427
Building development expended	602,837	-	781,663	1,384,500
Building development accrued	<u>1,320</u>	-	<u>(1,320)</u>	-
	1,251,987	931,689	(19,978)	2,163,698
TOTAL FUNDS	<u>4,671,565</u>	<u>1,013,159</u>	<u>-</u>	<u>5,684,724</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	323,007	(241,537)	81,470
Restricted funds			
Zakat	22,624	(23,003)	(379)
Building development appeal	<u>932,068</u>	-	<u>932,068</u>
	954,692	(23,003)	931,689
TOTAL FUNDS	<u>1,277,699</u>	<u>(264,540)</u>	<u>1,013,159</u>

IBAD-UR-RAHMAN TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

14. MOVEMENT IN FUNDS - continued

Zakat

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

Building development appeal

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

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.

16. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees in the office

IBAD-UR-RAHMAN TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017**

	2017	2016
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	1,261,674	525,349
Investment income		
Deposit account interest	<u>16,025</u>	<u>20,184</u>
Total incoming resources	1,277,699	545,533
EXPENDITURE		
Charitable activities		
Wages	116,074	144,135
Social security	4,807	7,184
Pensions	190	-
Rates and water	645	2,000
Insurance	-	3,999
Light and heat	6,515	1,525
Telephone	852	611
Postage and stationery	500	157
Advertising	500	150
Sundries	741	1,004
Donations	25,526	18,048
Guest speakers and Naat	5,210	5,838
Sports activities	-	2,680
Catering	13,403	4,324
Travelling	188	350
Legal and professional	1,397	549
Repairs and renewals	2,793	5,893
Freehold property depreciation	78,256	97,696
Fixtures and fittings depreciation	<u>1,607</u>	<u>964</u>
	259,204	297,107
Support costs		
Governance costs		
Auditors' remuneration	3,600	3,000
Accountancy and legal fees	<u>1,736</u>	<u>4,815</u>
	5,336	7,815
Total resources expended	264,540	304,922
Net income	<u>1,013,159</u>	<u>240,611</u>

This page does not form part of the statutory financial statements