

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

**NOMINEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### LEGAL AND ADMINISTRATIVE INFORMATION

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#### Sole Trustee

“The Dai al-Mutlaq”, a Corporation Sole enacted on 1st July, 1993 as **Dawat-e-Hadiyah Act 1993** by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in the Parliament is the Sole Trustee.

Today, 53rd al-Dai al-Mutlaq, His Holiness Dr. Syedna Mufaddal Saifuddin<sup>TUS</sup> is the Corporation Sole and in his capacity as the Corporation Sole – the Sole Trustee of the Trust.

#### Nominees

Shahzada Qaidjoher bhaisaheb Ezzuddin  
(Name as in passport Qaid Joher Ezzuddin)

Shahzada Idris bhaisaheb Badruddin  
(Name as in passport Idris Badruddin)

Shahzada Qusai bhaisaheb Vajihuddin  
(Name as in passport Qusai Vajihuddin)

Shahzada Ammar bhaisaheb Jamaluddin  
(Name as in passport Ammar Mohammed Burhanuddin  
Jamaluddin)

Shahzada Taha bhaisaheb Najmuddin  
(Name as in passport Taha Mufaddal Saifuddin)

Shahzada Husain bhaisaheb Burhanuddin  
(Name as in passport Husain Mufaddal Saifuddin)

#### Charity number

294807

#### Principal office

6 Mohammedi Park Complex  
Rowdell Road  
Northolt  
Middlesex  
UB5 6AG

#### Auditors

Citroen Wells  
Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

#### Bankers

Habib Bank AG Zurich  
377 Station Road  
Harrow  
Middlesex  
HA1 2AW

HSBC Bank Plc  
25 Notting Hill Gate  
London  
W11 3JJ

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### LEGAL AND ADMINISTRATIVE INFORMATION

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#### Bankers (continued)

Barclays Bank Plc  
Leicester  
Leicestershire  
LE87 2BB

National Australia Bank  
799 Pacific Highway  
Chatswood NSW 2067  
Australia

United Overseas Bank Limited  
80 Raffles Place  
UOB Plaza 1  
Singapore  
048624

#### Solicitors

Bircham Dyson Bell  
50 Broadway  
Westminster  
London  
SW1H 0BL

Collyer Bristow LLP  
4 Bedford Row  
London WC1R 4TF

# DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

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## **DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

### **NOMINEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Nominees present their report and the consolidated financial statements for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities Act 2011 and "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 from 1 January 2015).

#### **Aims and objectives**

The objects of the Trust are to carry out such charitable purposes for the relief of poverty and the advancement of education or religion or otherwise for the benefit of mankind anywhere in the world as His Holiness, the Dai al-Mutlaq shall from time to time determine. These include the advancement, safeguard and protection of the Islamic religion; the advancement of learning and education in their widest connotations; the relief of poverty and help to the poor and needy; the grant and aid of medical relief and the advancement of such other religious and charitable objects as the Dai al-Mutlaq shall determine.

The Trust aims to further these objects through the support of some Anjumans and local Dawoodi Bohra congregations as noted below.

Included in the accounts are certain properties that have been allocated by the Sole Trustee for various purposes and benefit of the Dawoodi Bohra Jamaats (congregations) of London, Leicester, Manchester, Birmingham, Bradford, Nottingham, Dublin, Hong Kong, Sydney, Melbourne and Toronto.

For the better administration and management of these Jamaats, under directions and guidance of His Holiness, various charitable and religious organisations (Anjumans) have been established to look after, administer and manage religious and temporal affairs of each respective Jamaat. The said Anjumans are regulated by a governing document bestowed by His Holiness to administer and manage their affairs. And further, the Sole Trustee has entrusted some of the properties to the said Anjumans for administration, management, maintenance and supervision.

Any incoming resources or outgoings in connection with these properties are not reflected in the accounts of Dawat-e-Hadiyah Trust (United Kingdom), but are instead shown in the individual accounts of the respective Anjumans. And further, the respective Anjumans are authorised to use the said incoming resources for their objects. The Nominees consider that these arrangements are in the best interests of the Trust.

The Nominees confirm that they have paid due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the objects of the Trust for the year. The main activities undertaken to further the Trust's purposes for the public benefit include the provision of grants and donations to other charities and for the education and relief of distress suffered by individuals in the community.

#### **Grant making policy**

The Trust's grant making policy is to identify those charities and persons in need based on the objects of the Trust stated above.

#### **Qardan Hasana scheme**

Due to the tenets of the Dawoodi Bohra faith, interest can neither be received or paid and as a result the Trust provides interest free loans in order to directly further its charitable purposes. The scheme is available to other connected charities, community members and the public at large.

#### **Activities and performance**

The Trust carries out a wide range of activities in pursuance of its charitable aims. The Nominees consider that these activities, noted below, provide benefit both to the Dawoodi Bohra community and the wider local community.

## **DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

### **NOMINEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 – (CONTINUED)**

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In order to achieve its objectives as stated above, the Trust has spent on various activities for the relief of distress and aid of the community, as detailed in note 5 of the accounts. These include Niyaz (amounts given towards religious feasts), Mawaed (conventional meals), Talimy Imdad (educational grants), Tibby Imdad (medical aid), Muvasat (charitable assistance), Sadaqat-us-Syr (alms given secretly) and Madrasah (religious school). Additionally, the Trust financially supports Faiz-ul Mawaid al Burhaniyah, a movement for catering meals free of cost, once a day, to all members of the Dawoodi Bohra community initiated by the 52<sup>nd</sup> Dai al Mutlaq His Holiness Dr Syedna Mohammed Burhanuddin<sup>RA</sup> and continued by his successor the 53<sup>rd</sup> Dai al Mutlaq His Holiness Dr Syedna Mufaddal Saifuddin<sup>TUS</sup>.

The Trust, acting by the Nominees and with the written agreement of the Charity Commission, has supported His Holiness Dr. Syedna Mufaddal Saifuddin<sup>TUS</sup> in funding legal costs which he has necessarily incurred in defending his position as the rightful 53<sup>rd</sup> Dai al-Mutlaq and spiritual leader of the Dawoodi Bohra community. Details of those costs are set out in the accounts. The Nominees will continue to review the position as the proceedings progress, with appropriate advice taken on behalf of the Trust.

#### **Property transactions**

A Masjid according to the doctrines of Dawat-e-Hadiyah and the faith of the Dawoodi Bohras, cannot be valued in monetary terms and consequently each Masjid owned by the Trust is stated in the balance sheet at a token figure. The figure being a sacred amount that correlates to the incumbent of the spiritual office of al-Dai al-Mutlaq. As per the Islamic faith, once the Masjid is Waqf (dedicated), it can neither be sold nor can it be gifted nor can it be inherited, hence it is priceless. The title deeds relating to a gifted Masjid is registered in the name of "The Dai al-Mutlaq" a Corporation Sole which is the Sole Trustee of Dawat-e-Hadiyah Trust (United Kingdom),

Anjuman-e-Badri (Birmingham), with the permission and approval of the 53<sup>rd</sup> Dai al-Mutlaq, His Holiness Dr. Syedna Mufaddal Saifuddin<sup>TUS</sup>, built a Masjid at 209 Icknield Street and 2-12 Great Western Terrace, Birmingham. The Masjid was completed at a total cost of £6,595,308. On 3 August 2017 Anjuman-e-Badri (Birmingham) requested His Holiness to accept the edifice of the Masjid on behalf of the well wishers of the community. His Holiness accepted the edifice and then declared open the Masjid and dedicated it for the sake of Allah for His ibadat (worship). His Holiness graciously named this Masjid as Saifee Masjid.

The Nominees decided to value Saifee Masjid at £53 being a sentimental figure.

The title for the entire property is held in the name of "The Dai al-Mutlaq", a Corporation Sole who is the sole Trustee of Dawat-e-Hadiyah Trust (United Kingdom). This Masjid is entrusted to Anjuman-e-Badri (Birmingham) to be managed by the said Anjuman under the supervision and control of Dawat-e-Hadiyah Trust (United Kingdom). They have been instructed to maintain the property to a high standard, and meet all outgoings for this property and they have agreed to do the same.

During the year, the Trust also received gifts of other properties with an aggregate value of £22,227,000.

#### **Financial review**

The consolidated statement of financial activities set out on page 9 of the financial statements shows total incoming resources amounted to £36,308,084 (2016: £8,273,126) an increase of £28,034,958 when compared to previous year. The significant increase is due mainly to the donation of properties valued at £28,822,308.

Total expenditure amounted to £12,329,515, an increase of £8,150,964 on the previous year. This includes £6,595,308 written off as Taamir against the cost of the Saifee Masjid that is now recorded at a sentimental value of £53.

Included within legal and professional fees are costs of £24,086 (2016 - £11,235) incurred by the Trust in defending His Holiness' position as the rightful 53<sup>rd</sup> Dai al-Mutlaq and spiritual leader of the Dawoodi Bohra Community.

It also includes £328,711 (2016: £436,954) of costs incurred in defending four members of the Dawoodi Bohra Jamaat in Sydney in connection with Female Genital Mutilation. The Nominees are of the view that a successful conclusion to this case would not only protect the worldwide reputation of the Charity but also His Holiness and the Dawoodi Bohra global community.

## **DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

### **NOMINEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 – (CONTINUED)**

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There was a revaluation gain on investment properties during the year of £553,425 (2016: £nil).

Overall, there was a surplus for the year of £24,531,994 (2016: £4,094,575).

The balance sheets on page 10 of the financial statements show the financial position of the Group and the Trust as at 31 December 2017.

Total Group net assets amounted to £72,424,096 (2016: £47,892,102) which is represented by the accumulated balances of the restricted fund of £313 (2016: £260) and the unrestricted income funds of £72,423,783 (2016: £47,891,842), an increase of £24,531,994 on last year.

£62,956,695 (2016: £40,277,575) of the unrestricted funds have been invested in long term investments and fixed assets. The remaining net assets of the unrestricted income fund are to be applied towards the Trust's grant making and other charitable activities and to meet the Trust's outgoing overhead expenses.

#### **Reserves policy**

It is the policy of the Trust to maintain unrestricted funds, which are free reserves of the Trust, at a level sufficient to provide for expenditure in future years without reliance on future voluntary income which cannot be guaranteed. In addition, funds are required to cover management and administration costs in order to continue the running of the Trust and also to provide for future capital projects required for the benefit of the community.

The balance held as unrestricted funds at the year-end was £72,423,783 of which £9,467,401 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets. The current level of reserves is therefore considered to be appropriate to meet the current and future commitments of the Trust.

Restricted funds comprise £313 which represents all the Masjids held by the Trust, at the Nominees' valuation. These valuations are sacred figures as they correlates to the incumbent of the spiritual office of Dai al-Mutlaq during whose era these Masjids were built and dedicated and they considered to reflect the priceless nature of these buildings.

#### **Risk management**

Risk assessments are carried out in order to ascertain the likelihood of a risk event occurring, of its potential impact and whether any cost effective mitigating action may be taken.

The principal risks faced by the Trust are:

- Risks relating to the operations and finances of the Trust.
- The performance of its investments. The Trust mitigates this risk by ensuring that its investment properties are maintained to a very high standard and are in prime locations.

Whilst the Trust has sufficient funds to continue its grant making and other activities for the foreseeable future, the Nominees are continually reviewing the long term plans for the Trust.

#### **Plans for the future**

The policies and purposes of the Trust shall continue under the provisions of the Trust Deed and the Trust aims to continue to provide support to charities and the public at large.

## **DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

### **NOMINEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 – (CONTINUED)**

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#### **Structure, governance and management**

On 1 May 1986, the 52nd Dai al-Mutlaq, His Holiness Dr. Syedna Mohammed Burhanuddin<sup>RA</sup> executed the Deed of Confirmation and Trust of Dawat-e-Hadiyah Trust (United Kingdom). The said Deed of Confirmation and Trust was registered with the Charity Commission of England and Wales on 2 July 1986. The 52nd Dai al-Mutlaq was then the Sole Trustee of the said Trust.

On 1 July 1993, an Act was incorporated by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons in Parliament, by the name of Dawat-e-Hadiyah Act 1993, incorporating the person who for the time being holds the office of the Dai al-Mutlaq as a Corporation Sole by the name of the Dai al-Mutlaq with perpetual succession. The 52<sup>nd</sup> Dai al-Mutlaq, His Holiness Dr. Syedna Mohammed Burhanuddin<sup>RA</sup> was thus appointed as a Corporation Sole.

In 1996, the said Corporation Sole by the name of the Dai al-Mutlaq was made the Sole Trustee of Dawat-e-Hadiyah Trust (United Kingdom).

On the passing away of 52<sup>nd</sup> al-Dai al-Mutlaq on 7 January 2014, his son and successor Dr. Syedna Mufaddal Saifuddin<sup>TUS</sup> succeeded as the 53<sup>rd</sup> incumbent to the office of al-Dai al-Mutlaq. Thus, the 53<sup>rd</sup> Dai al-Mutlaq, His Holiness Dr. Syedna Mufaddal Saifuddin<sup>TUS</sup> is now the Corporation Sole enacted by the Dawat-e-Hadiyah Act 1993 and as such the Sole Trustee of Dawat-e-Hadiyah Trust (United Kingdom).

The Nominees act on behalf of the Dai al-Mutlaq and exercise such powers and perform such functions as are assigned to them by the Dai al-Mutlaq for administering the affairs of the Trust. As per the provisions of the Trust Deed, the Dai al-Mutlaq may at any time and from time to time at his sole discretion and pleasure appoint, remove and accept the resignation of a Nominee (delegate) or Nominees. In selecting new Nominees, the Dai al-Mutlaq ensures that they are respected members of the community with the knowledge and skills to act as Nominees. Nominees are expected to identify their training needs and to take measures to ensure that these needs are met.

The Nominees serving during the year and since the year end are detailed on the legal and administrative information page.

#### **Related parties**

The relationship between the Trust and other connected charities is disclosed in note 17 of the accounts.

For and on behalf of the Nominees

**Nominee- Shahzada Qaidjoher bhaisaheb Ezzuddin**

Date: 31 October 2018

## **DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

### **STATEMENT OF NOMINEES' RESPONSIBILITIES**

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

The law applicable to charities in England and Wales requires the Nominees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and the Group and of the incoming resources and application of resources of the Trust and the Group for that year.

In preparing these financial statements, the Nominees are required to:

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

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

## **DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE NOMINEES OF DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

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##### **Qualified opinion**

We have audited the financial statements of Dawat-e-Hadiyah Trust (the 'parent Trust') and its subsidiary (the 'Group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Group and parent Trust Balance Sheets, the Consolidated Cash Flow Statement and notes the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the Group's and parent Trust's affairs as at 31 December 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.

##### **Basis for qualified opinion**

As more fully explained in note 11, all the Masjids owned by the Trust have been included in the balance sheet at the Nominees' valuation totalling £313. The figures used for the valuations are sacred figures as they correlate to the incumbent of the spiritual office of Dai al-Mutlaq during whose era these Masjids were built and dedicated. This carrying value does not reflect the cost of the assets or their valuation in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102). Had the Masjids been recorded at their original costs, the carrying value of the Masjids and the restricted reserves of the Trust would be increased by £24,982,956.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statement section of our report. We are independent of the Group and parent Trust 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 qualified opinion.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the nominees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the nominees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or parent Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The nominees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work

## **DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE NOMINEES OF DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

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we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, our audit opinion is qualified for understating the carrying value of the Masjids. This matter results in a corresponding understatement of the amounts given for total group net assets and the restricted fund in the Nominees' Report.

#### **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 Nominees' Report 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

#### **Responsibilities of Nominees**

As explained more fully in the Statement of Nominees' Responsibilities, the Nominees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Nominees 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 Nominees are responsible for assessing the Group'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 Nominees either intend to liquidate or cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Trust's Nominees, 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 Trust's Nominees 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 Trust and the Trust's Nominees as a body, for our audit work, for this report, or for the opinions we have formed.

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

**INDEPENDENT AUDITORS' REPORT (CONTINUED)  
TO THE NOMINEES OF DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

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**Other matters which we are required to address**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Citroen Wells

31 October 2018

Chartered Accountants  
Statutory Auditor

Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the parent Trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2017**

|                                    |              | <b>Unrestricted<br/>funds</b> | <b>Restricted<br/>funds</b> | <b>Total<br/>2017</b>    | <b>Total<br/>2016</b>    |
|------------------------------------|--------------|-------------------------------|-----------------------------|--------------------------|--------------------------|
|                                    | <b>Notes</b> | <b>£</b>                      | <b>£</b>                    | <b>£</b>                 | <b>£</b>                 |
| <b>Income from:</b>                |              |                               |                             |                          |                          |
| Donations                          | <b>2</b>     | 28,922,954                    | 6,595,308                   | 35,518,262               | 7,669,910                |
| Investments                        | <b>3</b>     | 789,822                       | -                           | 789,822                  | 603,216                  |
| <b>Total income</b>                |              | <u>29,712,776</u>             | <u>6,595,308</u>            | <u>36,308,084</u>        | <u>8,273,126</u>         |
| <b>Expenditure on:</b>             |              |                               |                             |                          |                          |
| Raising funds                      | <b>4</b>     | 1,245,596                     | -                           | 1,245,596                | 1,471,600                |
| Charitable activities              | <b>5</b>     | 4,488,664                     | 6,595,255                   | 11,083,919               | 2,706,951                |
| <b>Total expenditure</b>           |              | <u>5,734,260</u>              | <u>6,595,255</u>            | <u>12,329,515</u>        | <u>4,178,551</u>         |
| Net gains on investments           | <b>10</b>    | 553,425                       | -                           | 553,425                  | -                        |
| <b>Net income for the year</b>     |              | <u>24,531,941</u>             | <u>53</u>                   | <u>24,531,994</u>        | <u>4,094,575</u>         |
| <b>Net movement in funds</b>       |              | <u>24,531,941</u>             | <u>53</u>                   | <u>24,531,994</u>        | <u>4,094,575</u>         |
| <b>Reconciliation of funds:</b>    |              |                               |                             |                          |                          |
| Total funds brought forward        |              | <u>47,891,842</u>             | <u>260</u>                  | <u>47,892,102</u>        | <u>43,797,527</u>        |
| <b>Total funds carried forward</b> |              | <u><u>72,423,783</u></u>      | <u><u>313</u></u>           | <u><u>72,424,096</u></u> | <u><u>47,892,102</u></u> |

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)****BALANCE SHEETS  
AS AT 31 DECEMBER 2017**

|   |              | <b>Group<br/>2017</b> | <b>Group<br/>2016</b> | <b>Trust<br/>2017</b> | <b>Trust<br/>2016</b> |
|---|--------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <b>Notes</b> | <b>£</b>              | <b>£</b>              | <b>£</b>              | <b>£</b>              |
| <b>Fixed assets</b>                           |              |                       |                       |                       |                       |
| Tangible assets                               | <b>11</b>    | 30,587,314            | 12,787,548            | 30,587,314            | 12,787,548            |
| Investments                                   | <b>12</b>    | 32,369,381            | 27,490,027            | 32,041,221            | 27,687,796            |
|   |              | <u>62,956,695</u>     | <u>40,277,575</u>     | <u>62,628,535</u>     | <u>40,475,344</u>     |
| <b>Current assets</b>                         |              |                       |                       |                       |                       |
| Qardan Hasana receivable:                     |              |                       |                       |                       |                       |
| Amounts falling due within one year           | <b>13</b>    | 598,525               | 400,183               | 598,525               | 400,183               |
| Amounts falling due after more than one year  | <b>13</b>    | 2,340,087             | 2,298,699             | 2,340,087             | 2,298,699             |
| Other debtors                                 | <b>14</b>    | 1,029,451             | 1,213,207             | 1,007,036             | 1,197,379             |
| Cash at bank and in hand                      |              | 6,487,151             | 4,161,510             | 6,476,526             | 4,141,355             |
| Metal, jewellery and other assets             |              | 18,072                | 18,072                | 18,072                | 18,072                |
|   |              | <u>10,473,286</u>     | <u>8,091,671</u>      | <u>10,440,246</u>     | <u>8,055,688</u>      |
| Creditors amounts falling due within one year | <b>15</b>    | (1,005,885)           | (477,144)             | (472,683)             | (469,937)             |
|   |              | <u>9,467,401</u>      | <u>7,614,527</u>      | <u>9,967,563</u>      | <u>7,585,751</u>      |
| <b>Net current assets</b>                     |              |                       |                       |                       |                       |
|   |              | <u>9,467,401</u>      | <u>7,614,527</u>      | <u>9,967,563</u>      | <u>7,585,751</u>      |
| <b>Total assets less current liabilities</b>  |              | <u>72,424,096</u>     | <u>47,892,102</u>     | <u>72,596,098</u>     | <u>48,061,095</u>     |
| <b>The funds of the Charity</b>               |              |                       |                       |                       |                       |
| Restricted funds                              |              | 313                   | 260                   | 313                   | 260                   |
| Unrestricted income funds                     |              | 72,423,783            | 47,891,842            | 72,595,785            | 48,060,835            |
|   |              | <u>72,424,096</u>     | <u>47,892,102</u>     | <u>72,596,098</u>     | <u>48,061,095</u>     |

The financial statements were approved on behalf of the Dai al-Mutlaq by the Nominees on 31 October 2018 and signed on their behalf by:

**Nominee - Shahzada Qaidjoher bhaisaheb Ezzuddin**

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)****CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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|  |           | 2017           |                         | 2016           |                         |
|--|-----------|----------------|-------------------------|----------------|-------------------------|
|  | Notes     | £              | £                       | £              | £                       |
| <b>Net cash provided by operating activities</b>       | <b>18</b> |                | 2,389,639               |                | 1,836,719               |
| <b>Investing activities</b>                            |           |                |                         |                |                         |
| Purchase of tangible fixed assets                      |           | (327,891)      |                         | (1,431,079)    |                         |
| Purchase of investment property                        |           | (525,929)      |                         | (2,816,452)    |                         |
| Rents received   |           | <u>789,822</u> |                         | <u>603,216</u> |                         |
| <b>Net cash used in investing activities</b>           |           |                | <u>(63,998)</u>         |                | <u>(3,644,315)</u>      |
| <b>Change in cash and cash equivalents in the year</b> |           |                | <u>2,325,641</u>        |                | <u>(1,807,596)</u>      |
| Cash and cash equivalents brought forward              |           |                | <u>4,161,510</u>        |                | <u>5,969,106</u>        |
| <b>Cash and cash equivalents carried forward</b>       |           |                | <u><u>6,487,151</u></u> |                | <u><u>4,161,510</u></u> |

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies

##### 1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts, and have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

These financial statements consolidate the results of the Trust and its wholly owned subsidiary Rowdell Road Properties Limited on a line by line basis. Transactions and balances between the Trust and its subsidiary have been eliminated from the consolidated financial statements.

The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

##### 1.2 Going concern

The Nominees consider that there are no material uncertainties about the Group's ability to continue as a going concern. The Nominees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Nominees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds represent the carrying value of the Masjid at the Mohammedi Park Complex and other gifted Masjids.

##### 1.4 Income recognition

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

- (i) Where possible, donations are accounted for on a receivable basis. However, it is recognised that voluntary donations from individuals cannot be treated in this manner when there is no contractually enforceable right to donations promised. For this reason donations from individuals are normally accounted for on a receipts basis.
- (ii) Rental income is accounted for on a receivable basis.
- (iii) Donated assets are recognised when control over the expected economic benefits that flow from the donation has passed to the charity and are included in the financial statements at fair value on the date of acquisition, as determined by the Nominees.

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 – (CONTINUED)

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#### 1. Accounting policies (continued)

##### 1.5 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. Unconditional grant offers are accrued once the recipient has been notified of the grant award.

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulations and good practice.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

##### 1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and stated at cost less depreciation. All assets costing less than £5,000 are expensed. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where there is a permanent diminution in the value of any asset a charge is made to the Statement of Financial Activities.

Depreciation is calculated on all tangible fixed assets, with the exception of freehold land, to write down the cost or valuation less the estimated residual value by annual instalments over their expected useful lives.

The following rates are used by the Group:-

|                                  |                             |
|----------------------------------|-----------------------------|
| Freehold / leasehold properties  | 10 – 50 years straight line |
| Other buildings                  | 10 years straight line      |
| Fixtures, fittings and equipment | 4 – 8 years straight line   |
| Motor vehicles                   | 4 years straight line       |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities for the year.

##### 1.7 Masjids

A Masjid, according to the doctrines of Dawat-e-Hadiyah and the faith of the Dawoodi Bohras, cannot be valued in monetary terms and thus is always written down to a token figure as disclosed in note 11.

##### 1.8 Investment properties

Investment properties which are properties held to earn rentals and/or capital appreciation, are measured using the fair value model and stated at their estimated fair values as at the reporting end date as determined by the Nominees. The surplus or deficit on revaluation is recognised on the Statement of Financial Activities.

##### 1.9 Cash at bank and in hand

Cash at bank and in hand represents cash held for working capital purposes and in interest free bank current accounts.

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)

#### 1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of financial activities for the period.

#### 1.11 Qardan Hasana

Qardan Hasana is initially recognised and measured at the amount received or paid with the carrying amount adjusted in subsequent years to reflect repayments and grant a further Qardan Hasana.

#### 1.12 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

## 2. Donations

|                          | 2017<br>£         | 2016<br>£        |
|--------------------------|-------------------|------------------|
| This comprises:          |                   |                  |
| Silah-Fitrah             | 14,585            | 18,007           |
| Wajebaat including Zakat | 5,941,443         | 6,015,320        |
| Tabarruat                | 21,132            | 24,515           |
| Taqarruban               | 599,661           | 323,423          |
| Sanduq Khairiyah         | 38,784            | 37,525           |
| Saheb-e-Dawat            | 9,952             | 2,265            |
| Laagat                   | 355               | 72               |
| Other donations          | 70,042            | -                |
| Gifts of properties      | 28,822,308        | 1,248,783        |
|                          | <u>35,518,262</u> | <u>7,669,910</u> |

## 3. Investments

|                               | 2017<br>£      | 2016<br>£      |
|-------------------------------|----------------|----------------|
| This comprises rental income: |                |                |
| United Kingdom                | 780,948        | 593,773        |
| Overseas                      | 8,874          | 9,443          |
|                               | <u>789,822</u> | <u>603,216</u> |

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)**

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**4. Raising funds**

These comprise property rental costs as follows:

|                              | <b>2017</b>      | <b>2016</b>      |
|------------------------------|------------------|------------------|
|                              | <b>£</b>         | <b>£</b>         |
| Light and heat               | 23,416           | 24,771           |
| Repairs and maintenance      | 981,013          | 1,247,015        |
| Insurance                    | 9,827            | 8,667            |
| Cleaning                     | 4,503            | 13,422           |
| Council tax and water rates  | 21,574           | 27,606           |
| Management fees              | 149,682          | 95,287           |
| Staff costs                  | 35,622           | 15,822           |
| Agreement and inventory fees | 3,356            | 3,039            |
| Ground rent                  | 1,200            | 1,200            |
| Sundry                       | 2,275            | 2,989            |
| Depreciation and impairment  | 13,128           | 31,782           |
|                              | <u>1,245,596</u> | <u>1,471,600</u> |

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)**

**5. Charitable activities**

|  | Grants<br>£ | Other<br>charitable<br>expenditure<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|--|-------------|---|--------------------|--------------------|
| Staff costs                                | -           | 207,636                                 | 207,636            | 157,159            |
| Depreciation and impairment                | -           | 821,244                                 | 821,244            | 437,332            |
| Niyaz                                      | -           | 24,372                                  | 24,372             | 40,365             |
| Talimy Imdad                               | -           | 59,162                                  | 59,162             | 112,837            |
| Tibby Imdad                                | -           | 9,611                                   | 9,611              | 27,863             |
| Manshurat                                  | -           | 150                                     | 150                | -                  |
| Muvasalat                                  | -           | 108,782                                 | 108,782            | 95,519             |
| Imdad-e-Taklifzadah                        | -           | 488                                     | 488                | 8,700              |
| Rahaesh                                    | -           | 263,629                                 | 263,629            | 55,445             |
| Tashreef                                   | -           | 21,673                                  | 21,673             | 12,752             |
| Faiz-ul Mawaid al Burhaniyah               | -           | 12,122                                  | 12,122             | 10,350             |
| Mawaed                                     | -           | 30,150                                  | 30,150             | 32,035             |
| Rifah-e-Aam                                | -           | 3,867                                   | 3,867              | 868                |
| Muvasat                                    | -           | 98,114                                  | 98,114             | 58,350             |
| Sadaqat-us-Syr                             | -           | 10,000                                  | 10,000             | 14,592             |
| Taamir                                     | -           | 6,595,255                               | 6,595,255          | 7,956              |
| Madrasah                                   | -           | 53,000                                  | 53,000             | 46,780             |
| Loss/(Profit) on currency translation      | -           | 138,466                                 | 138,466            | (978,342)          |
|  | -           | 8,457,721                               | 8,457,721          | 140,561            |
| Grant funding of activities (see note 6)   | 849,514     | -                                       | 849,514            | 1,167,405          |
| Support costs (see note 7)                 | -           | 744,869                                 | 744,869            | 672,679            |
| Governance costs (see note 7)              | -           | 1,031,815                               | 1,031,815          | 726,306            |
|  | 849,514     | 10,083,291                              | 11,083,919         | 2,706,951          |
| <b>Analysis by fund</b>                    |             |   |                    |                    |
| Unrestricted funds                         | 849,514     | 3,488,036                               | 4,488,664          |                    |
| Restricted funds                           | -           | 6,595,255                               | 6,595,255          |                    |
|  | 849,514     | 10,083,291                              | 11,083,919         |                    |
| <b>For the year ended 31 December 2016</b> |             |   |                    |                    |
| Unrestricted funds                         | 1,167,405   | 1,539,546                               |                    | 2,706,951          |

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)

#### 6. Grants

The grant funding of the activities comprised the following:

|  | 2017<br>£      | 2016<br>£        |
|--|----------------|------------------|
| To other UK registered charities towards their respective objects  | 557,004        | 1,094,507        |
| To overseas charities towards their respective objects<br>(excluding donations to Saifee Burhani Upliftment Trust) | 13,212         | 46,916           |
| To individuals   | 29,298         | 25,982           |
|  | <u>599,514</u> | <u>1,167,405</u> |
| Saifee Burhani Upliftment Trust  | 250,000        | -                |
|  | <u>849,514</u> | <u>1,167,405</u> |

| Grants to other UK registered charities includes the following: | £       | £       |
|---|---------|---------|
| Anjuman-e-Saifee (Leicester)                                    | 41,050  | 3,000   |
| Anjuman-e-Jamali (Bradford)                                     | 930     | 7,421   |
| Al Jameah Al-Sayfiyah Trust                                     | 92,000  | 125,844 |
| Anjuman-e-Burhani (London)                                      | 53,800  | 30,000  |
| Anjuman-e-Badri (Birmingham)                                    | 2,648   | 600,600 |
| Anjuman-e-Hamidi (Manchester)                                   | 316,340 | 203,380 |
| Husaini Masjid & Mohammedi Park Management Trust                | 20,000  | 20,000  |

#### 7. Support costs and governance costs

|   | Support<br>costs<br>£ | Governance<br>costs<br>£ | 2017<br>£        | 2016<br>£        |
|---|-----------------------|--------------------------|------------------|------------------|
| Staff costs   | 404,761               | -                        | 404,761          | 377,949          |
| Depreciation and impairment                             | 120,806               | -                        | 120,806          | 119,138          |
| Printing, postage and stationery and<br>telephone       | 86,505                | -                        | 86,505           | 67,047           |
| Other overheads (heating, rates and service<br>charges) | 125,205               | -                        | 125,205          | 86,690           |
| Bank charges  | 1,692                 | -                        | 1,692            | 3,618            |
| Motor expenses  | 5,900                 | -                        | 5,900            | 7,002            |
| Legal and professional fees                             | -                     | 956,504                  | 956,504          | 684,006          |
| Audit fees  | -                     | 24,000                   | 24,000           | 20,000           |
| Non-audit fees payable to the auditor                   | -                     | 51,311                   | 51,311           | 33,535           |
|   | <u>744,869</u>        | <u>1,031,815</u>         | <u>1,776,684</u> | <u>1,398,985</u> |

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)

#### 7. Support costs and governance costs (continued)

Included within legal and professional fees are costs of £24,086 (2016 - £11,235) incurred by the Trust in defending His Holiness' position as the rightful 53rd Dai al-Mutlaq and spiritual leader of the Dawoodi Bohra Community.

It also includes £328,711 (2016: £436,954) of costs incurred in defending four members of the Dawoodi Jamaat in Sydney who were arrested and charged in connection with Female Genital Mutilation. The Nominees are of the view that a successful conclusion to this case would not only protect the worldwide reputation of the Charity but also his Holiness, the Dal al- Mutlaq and the Dawoodi Bohra global community.

#### 8. Key management personnel

The Dai al-Mutlaq considers the Nominees to be the key management personnel of the Trust who have been appointed to manage, administer and conduct the day to day business and affairs of the Trust. None of the Nominees received any remuneration or reimbursement of expenses during the year.

#### 9. Employees

##### Number of employees

The average monthly number of employees during the year was:

|                               | 2017<br>Number | 2016<br>Number |
|-------------------------------|----------------|----------------|
| Amils                         | 6              | 6              |
| Management and administration | 16             | 15             |
|                               | <u>22</u>      | <u>21</u>      |

  

|                            | 2017<br>£      | 2016<br>£      |
|----------------------------|----------------|----------------|
| <b>Employment costs</b>    |                |                |
| Wazaef, wages and salaries | 594,331        | 505,430        |
| Social security costs      | 53,688         | 45,500         |
|                            | <u>648,019</u> | <u>550,930</u> |

One employee received annual remuneration in excess of £60,000 (2016: £nil).

#### 10. Net gains on investments

|                                      | 2017<br>£      | 2016<br>£ |
|--------------------------------------|----------------|-----------|
| Revaluation of investment properties | <u>553,425</u> | <u>-</u>  |

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)**

**11. Tangible fixed assets**

| <b>Group and Trust</b>     | <b>Land and buildings</b> | <b>Masjids</b> | <b>Fixtures, fittings &amp; equipment</b> | <b>Motor vehicles</b> | <b>Total</b>      |
|----------------------------|---------------------------|----------------|---|-----------------------|-------------------|
|                            | <b>£</b>                  | <b>£</b>       | <b>£</b>                                  | <b>£</b>              | <b>£</b>          |
| <b>Cost or valuation</b>   |                           |                |   |                       |                   |
| At 1 January 2017          | 13,506,562                | 260            | 1,727,334                                 | 13,305                | 15,247,461        |
| Additions                  | 18,723,284                | 53             | 31,607                                    | -                     | 18,754,944        |
| Disposals                  | -                         | -              | (523,585)                                 | -                     | (523,585)         |
| <b>At 31 December 2017</b> | <b>32,229,846</b>         | <b>313</b>     | <b>1,235,356</b>                          | <b>13,305</b>         | <b>33,478,820</b> |
| <b>Depreciation</b>        |                           |                |   |                       |                   |
| At 1 January 2017          | 1,354,905                 | -              | 1,093,058                                 | 11,950                | 2,459,913         |
| On disposals               | -                         | -              | (523,585)                                 | -                     | (523,585)         |
| Charge for the year        | 821,244                   | -              | 133,483                                   | 451                   | 955,178           |
| <b>At 31 December 2017</b> | <b>2,176,149</b>          | <b>-</b>       | <b>702,956</b>                            | <b>12,401</b>         | <b>2,891,506</b>  |
| <b>Net book value</b>      |                           |                |   |                       |                   |
| <b>At 31 December 2017</b> | <b>30,053,697</b>         | <b>313</b>     | <b>532,400</b>                            | <b>904</b>            | <b>30,587,314</b> |
| At 31 December 2016        | 12,151,657                | 260            | 634,276                                   | 1,355                 | 12,787,548        |

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)

#### 11. Tangible fixed assets (continued)

|   | Valuation<br>£ | Historical<br>Cost<br>£ |                   |
|---|----------------|-------------------------|-------------------|
| <b>Masjids</b>                            |                |                         |                   |
| Al-Masjid al-Husaini, Northolt, Middlesex | 52             | 11,123,219              |                   |
| Al-Masjid al-Fakhri, Sydney, Australia    | 52             | 541,416                 | (Aus \$1,498,585) |
| Al-Masjid al-Saify, Toronto, Canada       | 52             | 1,140,408               | (Can \$2,559,084) |
| Noor Masjid, Manchester                   | 52             | 3,151,256               |                   |
| Adam Masjid, Bradford                     | 52             | 2,431,662               |                   |
| Saifee Masjid, Birmingham                 | 53             | 6,595,308               |                   |
| <b>At 31 December 2017</b>                | <u>313</u>     | <u>24,983,269</u>       |                   |

A Masjid, according to the doctrines of Dawat-e-Hadiyah and the faith of the Dawoodi Bohras, cannot be valued in monetary terms and thus is always reflected in the balance sheet at a token figure. Accordingly, the Nominees have valued the Masjids at £313. The figures used for the valuations are sacred figures as they correlate to the incumbent of the spiritual office of al-Dai al-Mutlaq during whose era these Masjids were built and dedicated. As per the Islamic faith, once the Masjid is Waqf (dedicated), it can neither be sold, nor can it be gifted or inherited. Hence it is priceless.

Included in the accounts are certain properties that have been allocated by the Sole Trustee for various purposes and benefit of the Dawoodi Bohra Jamaats (congregations) of London, Leicester, Manchester, Birmingham, Bradford, Nottingham, Dublin, Hong Kong, Sydney, Melbourne and Toronto.

For the better administration and management of these Jamaats, under directions and guidance of His Holiness, various charitable and religious organisations (Anjumans) have been established to look after, administer and manage religious and temporal affairs of each respective Jamaat. The said Anjumans are regulated by a governing document bestowed by His Holiness to administer and manage their affairs. And further, the Sole Trustee has entrusted some of the properties to the said Anjumans for administration, management, maintenance and supervision.

Any incoming resources or outgoings in connection with these properties are not reflected in the accounts of the Trust, but are instead shown in the individual accounts of the respective Anjumans. And further, the respective Anjumans are authorised to use the said incoming resources for their objects. The Nominees consider that these arrangements are in the best interests of the Trust.

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)**

**12. Investments**

| <b>Group</b>                     | <b>Investment<br/>Properties<br/>£</b> |
|----------------------------------|--|
| Value at 1 January 2017          | 27,490,027                             |
| Additions                        | 4,325,929                              |
| Revaluations                     | 553,425                                |
| <b>Value at 31 December 2017</b> | <b>32,369,381</b>                      |

| <b>Trust</b>                     | <b>Investment<br/>Properties<br/>£</b> | <b>Investment<br/>in subsidiary<br/>£</b> | <b>Loan to<br/>subsidiary<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------------|--|---|-------------------------------------|--------------------|
| Value at 1 January 2017          | 25,390,027                             | 100                                       | 2,297,669                           | 27,687,796         |
| Additions                        | 3,800,000                              | -   | -                                   | 3,800,000          |
| Revaluations                     | 553,425                                | -   | -                                   | 553,425            |
| Loan capitalisation              | -                                      | 2,297,669                                 | (2,297,669)                         | -                  |
| <b>Value at 31 December 2017</b> | <b>29,743,452</b>                      | <b>2,297,769</b>                          | <b>-</b>                            | <b>32,041,221</b>  |

Investment properties are included in the accounts at the Nominees' estimate of the market values at the balance sheet date.

Investment properties include 13 flats situated at Weymouth House, London W1W 5HF, which were professionally valued on an open market basis by Savilles (UK) Limited on 27 March 2018 at £17,645,000 and the Nominees consider this to be the fair value as at 31 December 2017.

**Subsidiary company**

The Trust owns the entire issued share capital of Rowdell Road Properties Limited ('Rowdell'), a company registered in England and Wales (07358241). Rowdell is engaged in property investment.

A summary of the results of Rowdell is shown below:

|                             | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|-----------------------------|-------------------|-------------------|
| Revenue                     | 51,935            | 51,360            |
| Administrative expenses     | (54,944)          | (61,373)          |
| Loss before taxation        | (3,009)           | (10,013)          |
| Taxation                    | -                 | -                 |
| Loss for the financial year | <b>(3,009)</b>    | <b>(10,013)</b>   |

The aggregate of the assets, liabilities and equity of Rowdell at the year-end was:

|             |                  |                  |
|-------------|------------------|------------------|
| Assets      | 2,658,969        | 2,135,983        |
| Liabilities | (533,202)        | (2,304,876)      |
| Equity      | <b>2,125,767</b> | <b>(168,893)</b> |

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)**

**13. Qardan Hasana receivable**

**Group and Trust**

|                              | 2017                   |                                    |                  | 2016                   |                                    |                  |
|------------------------------|------------------------|------------------------------------|------------------|------------------------|------------------------------------|------------------|
|                              | Due within<br>one year | Due after<br>more than<br>one year | Total            | Due within<br>one year | Due after<br>more than<br>one year | Total            |
|                              | £                      | £                                  | £                | £                      | £                                  | £                |
| Due from third parties       | 504,525                | 191,553                            | 696,078          | 316,183                | 343,668                            | 659,851          |
| Due from connected charities | 94,000                 | 2,148,534                          | 2,242,534        | 84,000                 | 1,955,031                          | 2,039,031        |
|                              | <u>598,525</u>         | <u>2,340,087</u>                   | <u>2,938,612</u> | <u>400,183</u>         | <u>2,298,699</u>                   | <u>2,698,882</u> |

**14. Other Debtors**

|                                | Group            |                  | Trust            |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | 2017<br>£        | 2016<br>£        | 2017<br>£        | 2016<br>£        |
| Prepayments and accrued income | 705,400          | 860,133          | 700,291          | 855,537          |
| Other debtors                  | 324,051          | 353,074          | 306,745          | 341,842          |
|                                | <u>1,029,451</u> | <u>1,213,207</u> | <u>1,007,036</u> | <u>1,197,379</u> |

**15. Creditors: amounts falling due within one year**

|                              | Group            |                | Trust          |                |
|------------------------------|------------------|----------------|----------------|----------------|
|                              | 2017<br>£        | 2016<br>£      | 2017<br>£      | 2016<br>£      |
| Accruals and deferred income | 381,862          | 318,901        | 375,429        | 316,401        |
| Taxation and social security | 17,030           | 14,544         | 14,775         | 12,164         |
| Other creditors              | 606,993          | 143,699        | 82,479         | 141,372        |
|                              | <u>1,005,885</u> | <u>477,144</u> | <u>472,683</u> | <u>469,937</u> |

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)****16. Analysis of net assets between funds**

| <b>Group</b>  | <b>Unrestricted<br/>funds</b> | <b>Restricted<br/>funds</b> | <b>Total</b>      |
|---|-------------------------------|-----------------------------|-------------------|
|   | <b>£</b>                      | <b>£</b>                    | <b>£</b>          |
| Fund balances at 31 December 2017 are represented by: |                               |                             |                   |
| Tangible fixed assets                                 | 30,587,001                    | 313                         | 30,587,314        |
| Investments   | 32,369,381                    | -                           | 32,369,381        |
| Current assets  | 10,473,286                    | -                           | 10,473,286        |
| Creditors: amounts falling due within one year        | (1,005,885)                   | -                           | (1,005,885)       |
|   | <u>72,423,783</u>             | <u>313</u>                  | <u>72,424,096</u> |

| <b>Trust</b>  | <b>Unrestricted<br/>funds</b> | <b>Restricted<br/>funds</b> | <b>Total</b>      |
|---|-------------------------------|-----------------------------|-------------------|
|   | <b>£</b>                      | <b>£</b>                    | <b>£</b>          |
| Fund balances at 31 December 2017 are represented by: |                               |                             |                   |
| Tangible fixed assets                                 | 30,587,001                    | 313                         | 30,587,314        |
| Investments   | 32,041,221                    | -                           | 32,041,221        |
| Current assets  | 10,440,246                    | -                           | 10,440,246        |
| Creditors: amounts falling due within one year        | (472,683)                     | -                           | (472,683)         |
|   | <u>72,595,785</u>             | <u>313</u>                  | <u>72,596,098</u> |

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)

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#### 17. Related party transactions

By virtue of significant influence, the Trust is related to various connected charities. During the year the following transactions took place with these related parties:

|                                     | 2017                      |              |                | 2016                      |              |                |
|-------------------------------------|---------------------------|--------------|----------------|---------------------------|--------------|----------------|
|                                     | Grants and donations<br>£ | Debtors<br>£ | Creditors<br>£ | Grants and donations<br>£ | Debtors<br>£ | Creditors<br>£ |
| Al Jameah Al Saifiyah Trust         | 145,000                   | -            | -              | 125,844                   | -            | -              |
| Anjuman e Saifee (New Zealand)      | -                         | 245,988      | -              | -                         | 264,342      | -              |
| Anjuman-e-Badri (Birmingham)        | 8,591                     | 200,000      | -              | 600,600                   | 200,000      | -              |
| Anjuman-e-Burhani (London)          | 93,052                    | -            | -              | 78,136                    | -            | 20,430         |
| Anjuman-e-Hamidi (Manchester)       | 325,842                   | 160,000      | 5,560          | 214,966                   | 310,000      | 1,430          |
| Anjuman-e-Saifee (Leicester)        | 51,912                    | 889,550      | 300            | 10,896                    | 516,498      | -              |
| Anjuman-e-Zainee (Croydon)          | 3,163                     | 700,000      | 300            | (8,907)                   | 700,000      | -              |
| The Saifee Burhani Upliftment Trust | 250,000                   | -            | -              | -                         | -            | -              |
| The Saifee Foundation of Europe     | -                         | 296,077      | -              | -                         | 328,316      | -              |

The Trust received donations and other income of £29,423,751 (2016: £1,575,577) from connected charities and other parties during the year.

A salary (Wazaef) of £22,091 (2016: £17,487) was paid to a son of one of the Nominees for services provided during the year.

**DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017 - (CONTINUED)**

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| <b>18. Cash generated from operations</b>            | <b>2017</b>      | <b>2016</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Surplus for the year                                 | 24,531,994       | 4,094,575        |
| Adjustments for:                                     |                  |                  |
| Rental income  | (789,822)        | (603,216)        |
| Gain on revaluation of investment properties         | (553,425)        | -                |
| Depreciation and impairment of tangible fixed assets | 7,550,433        | 588,252          |
| Non-cash donations received                          | (28,822,308)     | (2,748,783)      |
| Movements in working capital:                        |                  |                  |
| (Increase)/decrease in debtors                       | (55,974)         | 260,994          |
| Increase in creditors                                | 528,741          | 244,897          |
| <b>Net cash provided by operating activities</b>     | <b>2,389,639</b> | <b>1,836,719</b> |

## DAWAT-E-HADIYAH TRUST (UNITED KINGDOM)

### GLOSSARY

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|                               |  |
|-------------------------------|--|
| Amil:                         | Minister of religion deputed to various cities, towns and districts  |
| Anjuman:                      | An administrative unit, established under the guidance and direction of al-Dai al-Mutlaq to organise and manage the affairs of the Dawoodi Bohra Jamaat of a particular area |
| Darul Emarat:                 | Amil's residence   |
| Enayat:                       | Grants   |
| Faiz-ul Mawaid al Burhaniyah: | Free of charge food served to the community prepared and organized by the community kitchen  |
| Imdad-e-Ghurbatzadah:         | Relief of poverty  |
| Imdad-e-Taklifzadah:          | Relief in distress   |
| Jamaat:                       | Local congregation   |
| Jamaatkhana:                  | Banquet Hall   |
| Laagat:                       | Prescribed contribution  |
| Madrasah:                     | Religious school   |
| Manshurat:                    | Publications   |
| Markaz:                       | Community centre   |
| Masjid:                       | Mosque   |
| Mawaed:                       | Conventional meals served to the officers and staff  |
| Moallim:                      | Religious teacher  |
| Mohammedi Park Complex:       | Husaini Masjid, Madrasah, Jamaatkhana, administrative offices and 22 residential houses situated at Mohammedi Park Complex, Rowdell Road, Northolt, Middlesex UB5 6AG        |
| Muvasalat:                    | Transportation for Dawat's personnel   |
| Muvasat:                      | Charitable assistance  |
| Niyaz:                        | Religious feasts   |
| Qabrastan:                    | Burial ground  |
| Qardan Hasana:                | Interest free loan   |
| Rahaesh:                      | Boarding facility / accommodation  |
| Rifah-e-Aam:                  | General public utility   |
| Sadaqat-us-Syr:               | Alms given secretly  |
| Saheb-e-Dawat:                | Special emissaries of His Holiness sent on a special mission to various cities, towns, districts and countries   |
| Sanduq Khairiyah:             | Community Chest  |
| Silah-Fitrah:                 | Prescribed religious offerings   |
| Taamir:                       | Building, construction, restoration, repair and structural work  |
| Tabarruat:                    | Offertory  |
| Talimy Imdad:                 | Educational aid  |
| Taqarruban:                   | Conventional contribution offered by the various organisations of Jamaats and individuals  |
| Tashreef:                     | Blessed gift   |
| Tibby Imdad:                  | Medical aid  |
| Wajeboot including Zakat:     | Obligatory religious offerings   |
| Wazaef:                       | Emoluments paid to ministers of religion   |