

Company registration number: 00961846

Charity registration number: 259545

The Birmingham Mosque Trust Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2019

The Birmingham Mosque Trust Limited

Contents

Reference and Administrative Details	1 to 2
Trustees and Directors' Report	3 to 6
Statement of Trustees' Responsibilities	7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 24

The Birmingham Mosque Trust Limited

Reference and Administrative Details

Trustees	Mr Javed Iqbal Aziz Mr Maqbool Ahmed Mr Abdul Rakeeb Yahia Mr Abdul Rashid (Death 17 June 2019) Mr Zafar Alam Chaudhary Mr Lal Badshah (resigned 5 October 2019) Mr Muhammad Afzal Mr Mohammad Asghar Mr Abdul Rehman Mahmood Mr Mahmood Ahmed Mr Abdul Razzaq (resigned 5 October 2019) Dr Nasar Mahmood Mr Ali Yousif Mohamed Mr Mohammed Najib (resigned 5 October 2019) Mr Mohammed Imtiaz Dawood (removed 7 December 2019) Mr Mohammad Hasham Mr Tariq Hussain Mr Muhammad Mohiuddin Qamar Dr Mahmoud Akhtar (resigned 5 October 2019) Mr Muhammed Sarwar (resigned 5 October 2019) Mr Niaz Ahmad (appointed 3 November 2018) Dr Khurram Bashir (appointed 5 October 2019) Mr Abdul Mannan Bhatti (appointed 5 October 2019) Mr Allah Ditta (appointed 5 October 2019) Dr Muhammad Hanif (appointed 5 October 2019) Mr Muhammad Sarfraz Madni (appointed 5 October 2019) Mr Mohammed Najib Budhal (appointed 5 October 2019)
Principal Office	180 Belgrave Middleway Highgate Birmingham West Midlands B12 0XS
Company Registration Number	00961846
Charity Registration Number	259545

The Birmingham Mosque Trust Limited

Reference and Administrative Details

Bankers

Al Rayan Bank
24a Calthorpe Road
Edgbaston
Birmingham
West Midlands
B15 1RP

United Bank UK
391-393 Stratford Road
Sparkhill
Birmingham
West Midlands
B11 4JZ

Independent Examiner

Nasir Rafiq
Dua Governance
123-131 Bradford Street
Bradford Court
Birmingham
B12 0NS

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2019.

The Birmingham Mosque Trust Limited

The Birmingham Mosque Trust Limited (BMTL), manages the Birmingham Central Mosque, which is located in the heart of England's second biggest city Birmingham. Birmingham Central Mosque is the second purpose built Mosque in the UK. In early 1970 it opened its doors for the Birmingham community as a place of worship. Birmingham Central Mosque is nationally known for reference and advocacy of Muslims and Islamic issues. Since the mosque was built, it has become a focal point for the Birmingham Muslim community. Over the years, Muslims and Non-Muslims have used the mosque's premises for events such as meetings, lectures, studies, community and educational purposes.

Objectives and activities

Objects and aims

- to advance the religion of Islam for the benefit of the public by, but not limited to, the holding of prayer meetings, lectures, public celebration of religious festivals, weddings, exhibitions and funeral services
- the provision and maintenance of places of public religious worship by persons professing the religion of Islam
- the provision and maintenance of religious, educational, social and cultural centres and other places of study
- the provision and maintenance of cemeteries and burial places for the burial, in accordance with Islamic rites, of persons professing the religion of Islam
- producing and/or distributing literature on Islamic belief and practice to help enlighten others about the religion of Islam; the advancement of religious education in accordance with the teachings of Islam
- the promotion of religious harmony for the benefit of the public
- the relief of poverty and those in need in accordance with the teachings of Islam in such ways as may be thought fit

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

Achievements and performance

Family support service & counselling clinic

This department deals with family problems and marital issues. It endeavours to resolve problematic issues as best as it can through mediation and counselling.

Shariah Council

The Shariah Council is the focal point for advice and assistance for Muslims seeking religious and theological perspective on social, domestic and general issues.

New Muslim support network

BMTL facilitates a social support network for new Muslims. The service is being developed to cater for the needs of new Muslims.

Interfaith forums

BMTL participates and interacts actively with other faith networks to promote harmony, safety and community cohesion.

Marriage Bureau and registration

BMTL provides an introduction service for Muslims of all ages and ethnic backgrounds (British Citizens or indefinite stay holders only). Clients find their ideal spouse via the mosque's Marriage Bureau. Volunteers using a database of registered prospective partners and initiate meetings. The mosque also provides marriage registration services cementing partnerships according to Islamic and civil matrimony. The mosque is linked with the Registrar of marriages for conducting legally recognized civil Muslim marriages and issues certificates on behalf of the Registrar.

Funeral Services

Central Funeral Services are specialists in Islamic funeral arrangements. The majority of provisions that are required by the community are catered for.

Birmingham Community Education & Training Services (BCETS)

BMTL runs a supplementary school under the umbrella of Birmingham Community Education and Training Services (BCETS). Our School is staffed with teachers experienced in working with young children. The supplementary school currently teaches Arabic, Islamic Studies, and Hifz e Qur'an. Staff backgrounds vary to maintain diversity for pupils who must overlook differences to understand the peaceful message of Islam and learn different languages and values.

Education for children with hearing and speech impairment

BMTL offer special educational classes for children having hearing and speech impairment, with an Islamic perspective, in partnership with Al-Munir Foundation.

Fundraising for disasters and emergencies

BMTL partners with major UK registered charities to elevate the suffering of people affected by natural disasters all around the world.

Food bank and outreach services

BMTL has a food bank outside its premises, and operates a "soup kitchen" during the coldest days of the year in the heart of Birmingham City Centre reaching the most needy.

Facilities

- Main (prayer hall)
- Classrooms
- Library
- Mortuary (morgue)

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

- Community halls (banqueting)
- Ladies' gallery
- Lift for disabled access

Financial review

During the year the trust received total income of £608k (2018: £672k). This includes investment income of £22k (2018: £14k). The total expenses during the year were £603k (2018: £403k).

The cost of raising funds includes £115k, the charity has agreed to pay HMRC for Gift Aid over payments in the past. This is recognised as a provision in the accounts as the actual amount to pay back was agreed after the year end.

The year-end carried forward reserves stood at £3.86m (2018: £3.86m) of which £2.42m (2018: £2.4m) is unrestricted and £1.45m (2018: £1.47m) is restricted.

Policy on reserves

After reviewing the immediate and medium term requirements of The Birmingham Mosque Trust Limited (BMTL), the present level of funding is adequate to support the continuation of the current activities.

Plans for future periods

Aims and key objectives for future periods

With the ongoing support from the community, BMTL shall endeavour to achieve its goals and stay committed to reviewing its services and upgrading them as and when required. We look forward to enhancing our services and the introduction of new key staff positions to enable us to continue and build on our activities and services to the community.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

Structure, governance and management

Induction and training of trustees

New Trustees undergo a briefing on their legal commitments under charity law, the content of the Memorandum and Articles of Association, the Management Committee and decision making processes, the business plan and recent financial performance of the charity. New Trustees also meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The Birmingham Mosque Trust Limited

Trustees and Directors' Report

Organisational structure

The Trust was incorporated as a limited company on 11 September 1969. It is governed by a Memorandum and Articles of Association and is registered at the Companies House under number 00961846.

The Trustees (i.e. Management Council) are elected by the members of the trust at the Annual General Meeting. They are responsible for the day to day running of the BMTL.

The overall management and control of the charity is the responsibility of the Trustees who give their time freely and receive no remuneration or other benefits for carrying out their role.

The Trustees meet on a monthly basis to make operational decisions relating to the administration and management of the mosque and community centre.

Day to day responsibilities of the BMTL has been delegated to the Mosque Manager.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 13/12/19 and signed on its behalf by:



Mr Maqbool Ahmed
Trustee

The Birmingham Mosque Trust Limited

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Birmingham Mosque Trust Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Birmingham Mosque Trust Limited

Independent Examiner's Report to the trustees of The Birmingham Mosque Trust Limited

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2019 which are set out on pages 9 to 24.

Respective responsibilities of trustees and examiner

As the charity's trustees of The Birmingham Mosque Trust Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of The Birmingham Mosque Trust Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.


Independent examiner's statement

Since The Birmingham Mosque Trust Limited's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of The Birmingham Mosque Trust Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


.....
Nasir Rafiq
ICAEW

Dua Governance
123-131 Bradford Street
Bradford Court
Birmingham
B12 0NS

Date: 13/12/19

The Birmingham Mosque Trust Limited

Statement of Financial Activities for the Year Ended 31 March 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies	3	532,190	53,816	586,006
Investment income	4	22,139	-	22,139
Total income		<u>554,329</u>	<u>53,816</u>	<u>608,145</u>
Expenditure on:				
Raising funds	5	(115,228)	-	(115,228)
Charitable activities	6	(406,508)	(70,856)	(477,364)
Total expenditure		<u>(521,736)</u>	<u>(70,856)</u>	<u>(592,592)</u>
Net income/(expenditure)		<u>32,593</u>	<u>(17,040)</u>	<u>15,553</u>
Net movement in funds		32,593	(17,040)	15,553
Reconciliation of funds				
Total funds brought forward		<u>2,392,860</u>	<u>1,469,852</u>	<u>3,862,712</u>
Total funds carried forward	18	<u>2,425,453</u>	<u>1,452,812</u>	<u>3,878,265</u>

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	3	607,124	50,608	657,732
Investment income	4	13,888	-	13,888
Total income		<u>621,012</u>	<u>50,608</u>	<u>671,620</u>
Expenditure on:				
Charitable activities	6	(350,788)	(51,708)	(402,496)
Total expenditure		<u>(350,788)</u>	<u>(51,708)</u>	<u>(402,496)</u>
Net income/(expenditure)		<u>270,224</u>	<u>(1,100)</u>	<u>269,124</u>
Net movement in funds		270,224	(1,100)	269,124
Reconciliation of funds				
Total funds brought forward		<u>2,122,636</u>	<u>1,470,952</u>	<u>3,593,588</u>
Total funds carried forward	18	<u>2,392,860</u>	<u>1,469,852</u>	<u>3,862,712</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2018 is shown in note 18.

The Birmingham Mosque Trust Limited

(Registration number: 00961846)

Balance Sheet as at 31 March 2019

	Note	2019 £	(As restated) 2018 £
Fixed assets			
Tangible assets	14	2,117,561	2,172,558
Current assets			
Debtors	15	-	16,471
Cash at bank and in hand		<u>1,879,432</u>	<u>1,698,991</u>
		1,879,432	1,715,462
Creditors: Amounts falling due within one year	16	<u>(3,500)</u>	<u>(25,308)</u>
Net current assets		<u>1,875,932</u>	<u>1,690,154</u>
Total assets less current liabilities		3,993,493	3,862,712
Provisions	17	<u>(115,228)</u>	<u>-</u>
Net assets		<u>3,878,265</u>	<u>3,862,712</u>
Funds of the charity:			
Restricted funds		1,452,812	1,469,852
Unrestricted income funds			
Unrestricted funds		<u>2,425,453</u>	<u>2,392,860</u>
Total funds	18	<u>3,878,265</u>	<u>3,862,712</u>

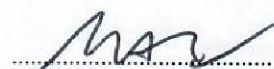
For the financial year ending 31 March 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 9 to 24 were approved by the trustees, and authorised for issue on 13/12/19 and signed on their behalf by:



 Mr Maqbool Ahmed
 Trustee

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1 Charity status

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Land and buildings

Fixtures and fittings

Depreciation method and rate

50 years straight line

20% reducing balance

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	2019 £	2018 £
General collections	248,189	336,921
Education	45,402	34,548
Funeral (Janaza) donations	59,007	18,252
Members subscription	11,310	3,600
Income from providing domestic/hall facilities	98,219	69,941
Gift Aid	-	134,112
Sponsorships	-	9,750
Marriage Bureau & family counselling	70,063	-
Zakat & Fitrana	53,816	50,608
	<u>586,006</u>	<u>657,732</u>

4 Investment income

	Unrestricted funds		
	General £	Total 2019 £	Total 2018 £
Other investment income	<u>22,139</u>	<u>22,139</u>	<u>13,888</u>

5 Expenditure on raising funds

	Direct costs £	Total 2019 £
Other expenditure	<u>115,228</u>	<u>115,228</u>

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

The charity over claimed Gift Aid in prior periods. This amount represents the final balance HMRC has agreed to settle the past overpayments.

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

6 Expenditure on charitable activities

	2019	2018
	£	£
Wages and salaries	131,024	160,353
Depreciation of tangible fixed assets	66,508	70,792
Education Provision	32,277	(20,477)
Light and Heat	21,469	16,329
Repairs and maintenance	20,274	23,234
Rates and insurance	15,159	6,061
Printing, postage & stationery	12,259	13,288
Security expenses	10,975	9,263
Hospitality, Foodbank and catering for events	10,499	12,443
Temporary Staff Cover	9,001	-
Telephone, internet and fax	4,476	3,331
Sundry and other costs	3,989	1,118
Religious activities and speakers costs	3,781	8,793
Cleaning and waste disposal	1,300	2,472
Pensions	428	-
Marketing	420	-
Website and media services	-	6,297
	<u>343,839</u>	<u>313,297</u>

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Independent examiner fees			
Examination of the financial statements	3,500	3,500	1,500
Legal fees	59,168	59,168	31,985
Other governance costs	-	-	4,006
	<u>62,668</u>	<u>62,668</u>	<u>37,491</u>

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

8 Grant-making

Below are details of material grants made to institutions

Name of institution	2019 £	2018 £
Islamic Relief	24,700	27,000
Water Project	10,000	-
Saba Relief	8,200	3,600
Human Relief Foundation	6,000	-
Interpal	3,750	2,000
Al Khair Foundation	3,500	5,500
Ummah Welfare Trust	3,300	-
Mercy International	1,700	2,000
Edhi Foundation	1,300	2,000
Central Funeral Services	1,070	2,500
Shaukat Khanam Cancer Hospital	-	1,000
Other charities below £1,000	7,336	6,108
	<u>70,856</u>	<u>51,708</u>

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2019 £	2018 £
Depreciation of fixed assets	<u>66,508</u>	<u>70,792</u>

10 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

£Nil (2018: £550) of expenses were reimbursed to during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

11 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	121,616	160,353
Social security costs	9,408	-
Pension costs	428	-
	<u>131,452</u>	<u>160,353</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2019 No	2018 No
Staff	<u>18</u>	<u>15</u>

No employee received emoluments of more than £60,000 during the year.

12 Independent examiner's remuneration

	2019 £	2018 £
Examination of the financial statements	<u>3,500</u>	<u>1,500</u>

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2018	2,390,910	388,668	2,779,578
Additions	9,960	1,551	11,511
At 31 March 2019	<u>2,400,870</u>	<u>390,219</u>	<u>2,791,089</u>
Depreciation			
At 1 April 2018	310,249	296,771	607,020
Charge for the year	47,818	18,690	66,508
At 31 March 2019	<u>358,067</u>	<u>315,461</u>	<u>673,528</u>
Net book value			
At 31 March 2019	<u>2,042,803</u>	<u>74,758</u>	<u>2,117,561</u>
At 31 March 2018	<u>2,080,661</u>	<u>91,897</u>	<u>2,172,558</u>

15 Debtors

	2019 £	2018 £
Other debtors	<u>-</u>	<u>16,471</u>

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	-	25,308
Accruals	<u>3,500</u>	<u>-</u>
	<u>3,500</u>	<u>25,308</u>

17 Provisions

	Other provision 1 £	Total £
At 1 April 2018	<u>115,228</u>	<u>115,228</u>

The provision relates to over claimed Gift Aid income relating to past years. The Charity has now agreed this amount to pay back to HMRC.

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

18 Funds

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 31 March 2019 £
Unrestricted funds				
General	(2,392,860)	(554,329)	521,736	(2,425,453)
Restricted funds	<u>(1,469,852)</u>	<u>(53,816)</u>	<u>70,856</u>	<u>(1,452,812)</u>
Total funds	<u><u>(3,862,712)</u></u>	<u><u>(608,145)</u></u>	<u><u>592,592</u></u>	<u><u>(3,878,265)</u></u>

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Balance at 31 March 2018 £
Unrestricted funds				
General	(2,122,636)	(621,012)	350,788	(2,392,860)
Restricted funds	<u>(1,470,952)</u>	<u>(50,608)</u>	<u>51,708</u>	<u>(1,469,852)</u>
Total funds	<u><u>(3,593,588)</u></u>	<u><u>(671,620)</u></u>	<u><u>402,496</u></u>	<u><u>(3,862,712)</u></u>

The Birmingham Mosque Trust Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	664,749	1,452,812	2,117,561
Current assets	1,879,432	-	1,879,432
Current liabilities	(3,500)	-	(3,500)
Provisions	(115,228)	-	(115,228)
Total net assets	<u>2,425,453</u>	<u>1,452,812</u>	<u>3,878,265</u>

20 Analysis of net funds

	At 1 April 2018 £	Cash flow £	At 31 March 2019 £
Cash at bank and in hand	1,698,991	180,441	1,879,432
Net debt	<u>1,698,991</u>	<u>180,441</u>	<u>1,879,432</u>

21 Prior Year Adjustment

In last years accounts, three bank accounts with a year-end value of £20,477 were incorrectly omitted. These mainly related to Zakat / Fitrana and the education provision. Last years accounts have now been adjusted to reflect the correct bank value.