

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
FOR
USMANI MOSQUE**

Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

USMANI MOSQUE

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FOR THE YEAR ENDED 31ST DECEMBER 2022**

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USMANI MOSQUE

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2022

The trustees present their report with the financial statements of the charity for the year ended 31st December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Our objectives are set to reflect our faith and community aims. Each year our trustees review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

The principal activities of Usmani Mosque in the year under review were those of the registered charity and its principal object remain to provide after-school Islamic education for 7-16 years old in accordance with Sunni Muslim faith and to provide a facility where Muslims can worship.

The charity will provide a community centre for social activity with the younger generation in mind. The centre will also provide for the needs of the older generation. The charity's aim is to develop life long leisure interests and help build self confidence and a desire to contribute to the community.

ACHIEVEMENT AND PERFORMANCE

Religious and Community activities

Our Mosque provides a centre for our prayers and worship and for the activities associated with our faith. Our community hall provides a valuable recreational resource to all in our local community. During the year under review, we offered a range of religious and community services and activities including:

Prayers: The Mosque is open all day for daily and Friday prayers. During the week we have over 100 people who regularly attend daily prayers and over 500 who regularly attend Friday prayers.

Festivals: The Mosque offers food during Ramadan for those attending our Mosque who wish to break their fast together as well as Eid is also celebrated at Mosque.

Funeral facilities: The Mosque provides a complete funeral service in line with the teachings of Islam. We relieve the deceased's bereaved relatives of the burden of organising burials.

Nikkah (Islamic Marriage): The Mosque provides Muslim couples with an appropriate location for their Nikkah. Over 2 couples were married at the mosque in the year.

Hifz classes: Memorisation of the Qur'an is considered an important element of religious education and training. We continue to provide this facility for the young people in the Mosque. We are pleased this programme which continues to run successfully with over 23 young people regularly attending these classes.

Hall facilities: Our hall is available for use by local groups and organisations. Local charities are also encouraged to make use of our hall. When hall facilities are not required for community use they are available for hire on commercial terms.

USMANI MOSQUE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2022

FINANCIAL REVIEW

Financial position

During the year, incoming resources have reduced to £229,110 (2021: £386,287) whereas outgoing resources have increased to £156,872 (2021: £140,917). This has resulted in a lower surplus for the year of £72,238 (2021: £245,370).

The reduction in incoming resources is a direct result of decline in voluntary income to £128,512 (2021: £300,265). Voluntary income was higher in 2021 as an additional campaign was run by mosque to collect donations for its building project which contributed £100,000 towards donations for that year.

In addition to the above, the general donations also declined during the year as number of mosques in the city are increasing with various campaigns being run by them and therefore general public tends to donate where there is more need of funds. The reduction in overall donation income also contributed towards lower gift aid claim for the year than previous year. However, some of the reduction in donation income was compensated by an increase of £13,000 and £9,000 in hall hire and madressa fees income respectively.

The mosque also collected £2,212 in the form of Zakaat donations and distributed £1,500 to charitable organisations which also includes Zakaat funds available from previous years.

The resources expended have primarily increased as a result of increase in staff costs. The staff costs has increased due to regulatory changes in NMW as well as additional staff resources being employed during the year to facilitate increase in student numbers and madressa fee income. There was also an increase in some of the other variable overheads which is expected due to nature of such costs.

Reserves policy

The trustees have adopted a reserves policy of retaining unrestricted reserves equivalent to one year expenditure expected to incur on running the mosque whilst ensuring funds are earmarked towards the cost of constructing new madressa building.

The construction of new madressa building is expected to cost a significant amount of money and the charity has already spent approximately £1.18m towards this project including acquisition costs.

At present Usmani Mosque prayer hall and the community hall are being used to teach around 350 children. The new building will accommodate all the children and free up the space currently being utilised in the prayer and community halls.

FUTURE PLANS

The trustees acquired a building for approximately £276,000 in 2018 to meet increased demand for madressa. The building has since been demolished and construction work commenced for new madressa building. The trustees anticipate total cost of the project including site acquisition will be in the region of £1.4m to £1.5m.

The board is looking at ways of increasing donation income as well as borrowing more interest free loans from individuals to be able to facilitate the work needed to the new madrassa building.

Future plans are to increase the number of new applicants for the madrassa after the project is fully complete and to pay off the interest free loans given by the muslim community.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Usmani Mosque is a registered charity (charity no. 1089411) and is governed by its Trust Deed dated 27th March 2000 as amended on 18th August 2001 and 15th October 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1089411

USMANI MOSQUE

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2022**

Principal address

c/o 14 Gwendolen Road
Leicester
LE5 5FE

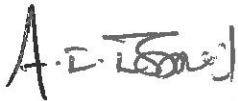
Trustees

Mr M Ali	Holding Trustee
Mr S H Patel	Trustee and President
Mr S I Ali	Trustee and Vice President
Mr A R Wahab	Trustee and General Secretary (resigned 22/09/2022)
Mr M Fozdar	Trustee and Assistant Secretary (resigned 30/09/2023)
Mr A Ismail	Holding Trustee and Treasurer
Mr I U Modi	Trustee and Assistant Treasurer
Mr I G Patel	Trustee
Mr A W A Patel	Trustee
Mr G H Patel	Trustee

Independent Examiner

Nazir Malida FCCA
Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

Approved by order of the board of trustees on 3rd October 2023 and signed on its behalf by:



Mr A Ismail - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
USMANI MOSQUE**

Independent examiner's report to the trustees of Usmani Mosque

I report to the charity trustees on my examination of the accounts of Usmani Mosque (the Trust) for the year ended 31st December 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

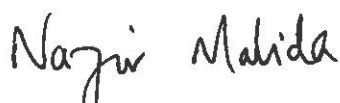
I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Nazir Malida FCCA

Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

3rd October 2023

USMANI MOSQUE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	31/12/22 Total funds £	31/12/21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		126,300	2,212	128,512	300,265
Charitable activities					
Hall Hire		14,320	-	14,320	670
Madressa fees		86,218	-	86,218	77,870
Other income		60	-	60	7,482
Total		226,898	2,212	229,110	386,287
EXPENDITURE ON					
Raising funds					
Raising donations and legacies		586	-	586	-
		586	-	586	-
Charitable activities					
Mosque and madressa running costs		154,786	-	154,786	139,417
Zakaat		-	1,500	1,500	1,500
Total		155,372	1,500	156,872	140,917
NET INCOME					
Transfers between funds	9	71,526	712	72,238	245,370
		100,000	(100,000)	-	-
Net movement in funds		171,526	(99,288)	72,238	245,370
RECONCILIATION OF FUNDS					
Total funds brought forward		2,489,165	100,710	2,589,875	2,344,505
TOTAL FUNDS CARRIED FORWARD		2,660,691	1,422	2,662,113	2,589,875

The notes on page 0 form part of these financial statements

USMANI MOSQUE

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	31/12/22 Total funds £	31/12/21 Total funds £
FIXED ASSETS					
Tangible assets	5	2,399,604	-	2,399,604	2,240,252
CURRENT ASSETS					
Debtors	6	13,903	-	13,903	46,343
Cash at bank and in hand		264,178	1,422	265,600	378,256
		<u>278,081</u>	<u>1,422</u>	<u>279,503</u>	<u>424,599</u>
CREDITORS					
Amounts falling due within one year	7	(6,994)	-	(6,994)	(1,776)
NET CURRENT ASSETS		<u>271,087</u>	<u>1,422</u>	<u>272,509</u>	<u>422,823</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,670,691</u>	<u>1,422</u>	<u>2,672,113</u>	<u>2,663,075</u>
CREDITORS					
Amounts falling due after more than one year	8	(10,000)	-	(10,000)	(73,200)
NET ASSETS		<u>2,660,691</u>	<u>1,422</u>	<u>2,662,113</u>	<u>2,589,875</u>
FUNDS					
Unrestricted funds	9			2,660,691	2,489,165
Restricted funds				1,422	100,710
TOTAL FUNDS				<u>2,662,113</u>	<u>2,589,875</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 3rd October 2023 and were signed on its behalf by:



Mr M Ali - Trustee

USMANI MOSQUE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

INCOME

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

EXPENDITURE

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

TANGIBLE FIXED ASSETS

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

Fixtures and fittings - 15% on cost

MARKET VALUES OF LAND AND BUILDINGS

The charity's freehold land and buildings are used solely for charitable purposes. In the opinion of the trustees the market value of the land and buildings of the charity exceeds the amount shown on the balance sheet, but they do not consider the expense of a professional valuation to be justified.

In stating freehold land and buildings at cost and not subjecting to periodic charges for depreciation results in a departure from usual accounting principles which requires all fixed assets which have a limited useful economic life to be depreciated. However, in this case the trustees believes that writing down such assets will not show a true and fair view as the residual values of such freehold land and buildings are expected to remain high. The subsequent non-charge of depreciation (based on a 1/3 land split and 2% charge) amounts to £31,991 (2021 - £29,860).

TAXATION

The charity is exempt from tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

USMANI MOSQUE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

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

2. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2022 nor for the year ended 31st December 2021.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st December 2022 nor for the year ended 31st December 2021.

3. STAFF COSTS

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

	31/12/22	31/12/21
Number of paid teaching staff	2	16
Number of voluntary teaching staff	16	2
	18	18

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

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	199,674	100,591	300,265
Charitable activities			
Hall Hire	670	-	670
Madressa fees	77,870	-	77,870
Other income	7,482	-	7,482
Total	285,696	100,591	386,287
EXPENDITURE ON			
Charitable activities			
Mosque and madressa running costs	139,417	-	139,417
Zakaat	-	1,500	1,500
Total	139,417	1,500	140,917
NET INCOME	146,279	99,091	245,370
Transfers between funds	371,611	(371,611)	-
Net movement in funds	517,890	(272,520)	245,370

USMANI MOSQUE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	1,971,275	373,230	2,344,505
TOTAL FUNDS CARRIED FORWARD	<u>2,489,165</u>	<u>100,710</u>	<u>2,589,875</u>
5. TANGIBLE FIXED ASSETS			
	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1st January 2022	2,239,514	64,916	2,304,430
Additions	159,795	-	159,795
At 31st December 2022	<u>2,399,309</u>	<u>64,916</u>	<u>2,464,225</u>
DEPRECIATION			
At 1st January 2022	-	64,178	64,178
Charge for year	-	443	443
At 31st December 2022	<u>-</u>	<u>64,621</u>	<u>64,621</u>
NET BOOK VALUE			
At 31st December 2022	<u>2,399,309</u>	<u>295</u>	<u>2,399,604</u>
At 31st December 2021	<u>2,239,514</u>	<u>738</u>	<u>2,240,252</u>
6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		31/12/22 £	31/12/21 £
Trade debtors		-	1,422
Other debtors		13,903	44,921
		<u>13,903</u>	<u>46,343</u>

USMANI MOSQUE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31/12/22	31/12/21
	£	£
Trade creditors	5,035	170
Taxation and social security	-	765
Other creditors	1,959	841
	<u>6,994</u>	<u>1,776</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	31/12/22	31/12/21
	£	£
Other creditors	10,000	73,200
	<u>10,000</u>	<u>73,200</u>

9. MOVEMENT IN FUNDS				
	At 1.1.22	Net	Transfers	At
	£	movement	between	31.12.22
		in funds	funds	£
		£	£	
Unrestricted funds				
General fund	2,489,165	71,526	100,000	2,660,691
Restricted funds				
Copdale Road	100,000	-	(100,000)	-
Zakaat	710	712	-	1,422
	<u>100,710</u>	<u>712</u>	<u>(100,000)</u>	<u>1,422</u>
TOTAL FUNDS	<u>2,589,875</u>	<u>72,238</u>	<u>-</u>	<u>2,662,113</u>

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

	Incoming	Resources	Movement
	resources	expended	in funds
	£	£	£
Unrestricted funds			
General fund	226,898	(155,372)	71,526
Restricted funds			
Zakaat	2,212	(1,500)	712
	<u>229,110</u>	<u>(156,872)</u>	<u>72,238</u>
TOTAL FUNDS	<u>229,110</u>	<u>(156,872)</u>	<u>72,238</u>

USMANI MOSQUE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

9. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	1,971,275	146,279	371,611	2,489,165
Restricted funds				
Copdale Road	371,611	100,000	(371,611)	100,000
Zakaat	1,619	(909)	-	710
	<u>373,230</u>	<u>99,091</u>	<u>(371,611)</u>	<u>100,710</u>
TOTAL FUNDS	<u>2,344,505</u>	<u>245,370</u>	<u>-</u>	<u>2,589,875</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	285,696	(139,417)	146,279
Restricted funds			
Copdale Road	100,000	-	100,000
Zakaat	591	(1,500)	(909)
	<u>100,591</u>	<u>(1,500)</u>	<u>99,091</u>
TOTAL FUNDS	<u>386,287</u>	<u>(140,917)</u>	<u>245,370</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	1,971,275	217,805	471,611	2,660,691
Restricted funds				
Copdale Road	371,611	100,000	(471,611)	-
Zakaat	1,619	(197)	-	1,422
	<u>373,230</u>	<u>99,803</u>	<u>(471,611)</u>	<u>1,422</u>
TOTAL FUNDS	<u>2,344,505</u>	<u>317,608</u>	<u>-</u>	<u>2,662,113</u>

USMANI MOSQUE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

9. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	512,594	(294,789)	217,805
Restricted funds			
Copdale Road	100,000	-	100,000
Zakaat	2,803	(3,000)	(197)
	<u>102,803</u>	<u>(3,000)</u>	<u>99,803</u>
TOTAL FUNDS	<u>615,397</u>	<u>(297,789)</u>	<u>317,608</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2022.

USMANI MOSQUE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	31/12/22 £	31/12/21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	119,609	257,810
Gift aid	8,903	42,455
	128,512	300,265
Charitable activities		
Hall hire	14,320	670
Madressa fees	86,218	77,870
	100,538	78,540
Other income		
Repayment interest	60	125
HMRC JRS Grant	-	7,357
	60	7,482
Total incoming resources	229,110	386,287
EXPENDITURE		
Raising donations and legacies		
Card terminal charges	586	-
Charitable activities		
Wages	122,969	115,370
Pensions	251	257
Rates and water	3,558	1,913
Insurance	5,026	2,215
Light and heat	12,323	10,028
Postage and stationery	1,655	1,770
Books and learning resources	2,119	107
Repairs and maintenance	2,608	4,602
Legal fees	510	836
Cleaning	468	34
Bank charges	98	7
Charitable expenditure - Zakat	1,500	1,500
Telephone	878	926
Accountancy fees	1,440	-
Consultancy	180	-
Staff training	260	-
Depreciation of tangible fixed assets	443	1,352
	156,286	140,917
Total resources expended	156,872	140,917
Net income	72,238	245,370

This page does not form part of the statutory financial statements