

Charity registration number: 502646

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

Annual Report and Financial Statements

for the Year Ended 31 December 2024

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

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# THE MUSLIM (HANFI SUNNI) ASSOCIATION

## Reference and Administrative Details

|                                    |   |
|------------------------------------|---|
| <b>Trustees</b>                    | Mr Mahmood Ahmed<br>Mr Mushtaq Hussain<br>Mr Mohammed Rafiq<br>Mr Ajaz Mendi Chaudhry<br>Mr Abdul Razzaq                      |
| <b>Charity Registration Number</b> | 502646  |
| <b>Principal Office</b>            | 33a Randall Street<br>Blackburn<br>Bb1 7LG  |
| <b>Auditor</b>                     | Riaz Ahmad FCCA<br>Riaz Ahmad & Co<br>Chartered Certified Accountants<br>Lord House<br>51 Lord Street<br>Manchester<br>M3 1HE |

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

## Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 December 2024.

### **Objectives and activities**

#### ***Objects and aims***

To provide excellent facilities for daily prayers, teaching facilities for Quran and religious education, holding lectures, assisting with marriages and funerals and holding celebration of religious events including Eid Milad ul Nabi.

To advance in centre of excellence in Islamic learning and lifelong learning by working with local schools, businesses, Blackburn College, Blackburn Council, Police and other stakeholders.

Our aim is to provide worship facilities for daily prayers and a community hub for the community to come together.

#### ***Objectives, strategies and activities***

We have two mosques Madina Masjid and Masid-e-Raza where five daily prayer sessions are held. In addition we collect and distribute charitable donations ( zakat, fitrana and sadaqa).

We help people who relocate into our catchment area to settle into the community.

All activities are designed to advance religion, education and social well being for the public benefit regardless of background or religion.

#### ***Fundraising disclosures***

Funds are raised through donations from public and charging for religious teaching, funerals, weddings and hire of mosque facilities.

We also hold fundraising activities for natural calamities like flood and earthquake etc.

#### ***Public benefit***

The charity aims to provide prayer facilities to the Muslim community as well as education facilities for teaching Holy Quran and Islamic education. We facilitate weddings, funerals and other religious obligations.

All activities / facilities are available to all members of public regardless of background or belief.

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.

#### ***Grant making policies***

We do not provide grants to any individuals or organisations.

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

#### ***Nature of governing document***

Charity is governed by its constitution, Islamic principles and complies with the Charity Commission requirements.

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

## Trustees' Report (continued)

### *Recruitment and appointment of trustees*

Trustees are volunteers and chosen from the congregation based on their skill sets, time availability and services to the community.

### *Induction and training of trustees*

Full induction in the charity regulations and procedures is provided at the time of appointment and continuous professional development is facilitated throughout the period of the appointment.

### *Arrangements for setting key management personnel remuneration*

Trustees are all volunteers and do not draw any remuneration. Reasonable expenses may be claimed but none are not claimed to date.

### *Organisational structure*

The Charity is run by the Board of Trustees who make all major decisions.

### **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.

### *Cash flow risk*

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

### *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 MUSLIM (HANFI SUNNI) ASSOCIATION

## Trustees' Report (continued)

### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 7 October 2025 and signed on its behalf by:

.....  
Mr Mushtaq Hussain  
Trustee

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

## Statement of Trustees' Responsibilities

The trustees 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.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees 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 business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 7 October 2025 and signed on its behalf by:

.....  
Mr Mushtaq Hussain  
Trustee

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

## Independent Auditor's Report to the Members of THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Opinion

We have audited the financial statements of THE MUSLIM (HANFI SUNNI) ASSOCIATION (the 'charity') for the year ended 31 December 2024, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, 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 opinion

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Independent Auditor's Report to the Members of THE MUSLIM (HANFI SUNNI) ASSOCIATION (continued)

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Report) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), the trustees 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### Auditor Responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We design procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. We review compliance with laws and regulations applicable to the charity as well as reviewing the financial systems and statements to detect irregularities, misstatements and compliance breaches. Our work however can not guarantee to discover every instance of fraud and error and prevention/detection of fraud and misstatements is the fundamental responsibility of the management of the organisation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**THE MUSLIM (HANFI SUNNI) ASSOCIATION**

**Independent Auditor's Report to the Members of THE MUSLIM (HANFI SUNNI)  
ASSOCIATION (continued)**

.....

Riaz Ahmad FCCA (Senior Statutory Auditor)  
For and on behalf of Riaz Ahmad FCCA, Statutory Auditor

Riaz Ahmad & Co  
Chartered Certified Accountants  
Lord House  
51 Lord Street  
Manchester  
M3 1HE

7 October 2025

Riaz Ahmad FCCA is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Statement of Financial Activities for the Year Ended 31 December 2024

|                                    | Note | Unrestricted<br>funds<br>£          | Total<br>2024<br>£          |
|------------------------------------|------|-------------------------------------|-----------------------------|
| <b>Income and Endowments from:</b> |      |                                     |                             |
| Donations and legacies             |      | 228,376                             | 228,376                     |
| Charitable activities              |      | 1,859                               | 1,859                       |
| Investment income                  | 4    | 8,745                               | 8,745                       |
| Other income                       |      | 129,499                             | 129,499                     |
|                                    |      | <u>368,479</u>                      | <u>368,479</u>              |
| <b>Expenditure on:</b>             |      |                                     |                             |
| Raising funds                      |      | (108,995)                           | (108,995)                   |
| Charitable activities              |      | (177,902)                           | (177,902)                   |
|                                    |      | <u>(286,897)</u>                    | <u>(286,897)</u>            |
| Total expenditure                  |      | <u>(286,897)</u>                    | <u>(286,897)</u>            |
| Net income                         |      | <u>81,582</u>                       | <u>81,582</u>               |
| Net movement in funds              |      | 81,582                              | 81,582                      |
| <b>Reconciliation of funds</b>     |      |                                     |                             |
| Total funds brought forward        |      | <u>3,889,524</u>                    | <u>3,889,524</u>            |
| Total funds carried forward        | 20   | <u>3,971,106</u>                    | <u>3,971,106</u>            |
|                                    |      | <b>Unrestricted<br/>funds<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|                                    | Note |                                     |                             |
| <b>Income and Endowments from:</b> |      |                                     |                             |
| Donations and legacies             |      | 223,327                             | 223,327                     |
| Charitable activities              |      | 2,273                               | 2,273                       |
| Investment income                  | 4    | 4,843                               | 4,843                       |
| Other income                       |      | 185,160                             | 185,160                     |
|                                    |      | <u>415,603</u>                      | <u>415,603</u>              |
| Total income                       |      | <u>415,603</u>                      | <u>415,603</u>              |
| <b>Expenditure on:</b>             |      |                                     |                             |
| Raising funds                      |      | (104,613)                           | (104,613)                   |
| Charitable activities              |      | (118,859)                           | (118,859)                   |
|                                    |      | <u>(223,472)</u>                    | <u>(223,472)</u>            |
| Total expenditure                  |      | <u>(223,472)</u>                    | <u>(223,472)</u>            |
| Net income                         |      | <u>192,131</u>                      | <u>192,131</u>              |
| Net movement in funds              |      | 192,131                             | 192,131                     |
| <b>Reconciliation of funds</b>     |      |                                     |                             |
| Total funds brought forward        |      | <u>3,697,393</u>                    | <u>3,697,393</u>            |
| Total funds carried forward        | 20   | <u>3,889,524</u>                    | <u>3,889,524</u>            |

All of the charity's activities derive from continuing operations during the above two periods.

The notes on pages 12 to 23 form an integral part of these financial statements.

**THE MUSLIM (HANFI SUNNI) ASSOCIATION**

**Statement of Financial Activities for the Year Ended 31 December 2024 (continued)**

The funds breakdown for 2023 is shown in note 20.

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

## (Registration number: 502646) Balance Sheet as at 31 December 2024

|   | Note | 2024<br>£        | 2023<br>£        |
|---|------|------------------|------------------|
| <b>Fixed assets</b>                                   |      |                  |                  |
| Tangible assets                                       | 15   | 3,028,326        | 3,036,951        |
| <b>Current assets</b>                                 |      |                  |                  |
| Debtors   | 16   | 94               | -                |
| Cash at bank and in hand                              | 17   | 952,425          | 855,389          |
|   |      | <u>952,519</u>   | <u>855,389</u>   |
| <b>Creditors: Amounts falling due within one year</b> | 18   | <u>(9,739)</u>   | <u>(2,816)</u>   |
| <b>Net current assets</b>                             |      | <u>942,780</u>   | <u>852,573</u>   |
| <b>Net assets</b>                                     |      | <u>3,971,106</u> | <u>3,889,524</u> |
| <b>Funds of the charity:</b>                          |      |                  |                  |
| <b>Unrestricted income funds</b>                      |      |                  |                  |
| Unrestricted funds                                    |      | <u>3,971,106</u> | <u>3,889,524</u> |
| <b>Total funds</b>                                    | 20   | <u>3,971,106</u> | <u>3,889,524</u> |

The financial statements on pages 9 to 23 were approved by the trustees, and authorised for issue on 7 October 2025 and signed on their behalf by:

.....  
Mr Mushtaq Hussain  
Trustee

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

## Notes to the Financial Statements for the Year Ended 31 December 2024

### 1 Accounting policies

#### Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

#### Basis of preparation

THE MUSLIM (HANFI SUNNI) ASSOCIATION meets the definition of a public benefit entity under FRS 102. The accounts (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(s) to these accounts.

#### Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

#### *Donations and legacies*

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

#### *Investment income*

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### 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.

#### Governance costs

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

# THE MUSLIM (HANFI SUNNI) ASSOCIATION

## Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

### 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

Assets are written off in equal instalments over their useful life.

No depreciation has been provided in the previous years accounts so the historic brought forward values has been written off by 50% to make th value more realistic.

#### Asset class

Fixtures, Fittings & Equipment

#### Depreciation method and rate

10% straight line basis

### 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.

### Trade creditors

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

#### **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.

#### **Fund structure**

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

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **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 MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

#### *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 MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

#### *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 MUSLIM (HANFI SUNNI) ASSOCIATION

## Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

### *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.

## 2 Income from donations and legacies

|                            | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|----------------------------|---|------------------------------|
| Donations and legacies;    |   |                              |
| Donations from individuals | 226,954   | 226,954                      |
| Gift aid reclaimed         | 1,422   | 1,422                        |
| <b>Total for 2024</b>      | <u>228,376</u>                                  | <u>228,376</u>               |
| <b>Total for 2023</b>      | <u>223,327</u>                                  | <u>223,327</u>               |

## 3 Income from charitable activities

|                       | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|-----------------------|---|------------------------------|
|                       | 1,859   | 1,859                        |
| <b>Total for 2024</b> | <u>1,859</u>                                    | <u>1,859</u>                 |
| <b>Total for 2023</b> | <u>2,273</u>                                    | <u>2,273</u>                 |

## 4 Investment income

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

|   | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|---|---|------------------------------|
| Interest receivable and similar income; |   |                              |
| Interest receivable on bank deposits    | 8,745   | 8,745                        |
| <b>Total for 2024</b>                   | 8,745   | 8,745                        |
| <b>Total for 2023</b>                   | 4,843   | 4,843                        |

#### 5 Other income

|                       | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|-----------------------|---|------------------------------|
| Fees and supplies     | 123,964   | 123,964                      |
| Rental income         | 5,535   | 5,535                        |
| <b>Total for 2024</b> | 129,499   | 129,499                      |
| <b>Total for 2023</b> | 185,160   | 185,160                      |

#### 6 Expenditure on raising funds

##### a) Costs of generating donations and legacies

|  | <b>Note</b> | <b>Total<br/>funds<br/>£</b> |
|--|-------------|------------------------------|
|  |             |                              |

##### b) Costs of trading activities

|                       | <b>Note</b> | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|-----------------------|-------------|---|------------------------------|
| Costs of goods sold   |             | 97,195  | 97,195                       |
| <b>Total for 2024</b> |             | 97,195  | 97,195                       |
| <b>Total for 2023</b> |             | 96,482  | 96,482                       |

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

|   |      | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>costs<br/>£</b> |
|---|------|---|------------------------------|
| <b>7 Expenditure on charitable activities</b> |      |   |                              |
| Governance costs                              | Note | 177,902   | 177,902                      |
| <b>Total for 2023</b>                         |      | 118,859   | 118,859                      |

|   |  |  | <b>Total<br/>expenditure<br/>£</b> |
|---|--|--|------------------------------------|
| <b>8 Analysis of governance and support costs</b> |  |  |                                    |
| <b>Governance costs</b>                           |  |  |                                    |

|  |  | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|--|--|---|------------------------------|
| <b>Governance costs</b>                            |  |   |                              |
| Staff costs  |  |   |                              |
| Wages and salaries                                 |  | 48,147  | 48,147                       |
| Pension costs                                      |  | 493   | 493                          |
| Audit fees   |  |   |                              |
| Audit of the financial statements                  |  | 4,000   | 4,000                        |
| Depreciation, amortisation and other similar costs |  | 8,625   | 8,625                        |
| Other governance costs                             |  | 116,637   | 116,637                      |
| <b>Total for 2024</b>                              |  | 177,902   | 177,902                      |
| <b>Total for 2023</b>                              |  | 118,859   | 118,859                      |

### **9 Net incoming/outgoing resources**

Net incoming resources for the year include:

|                              |  | <b>2024<br/>£</b> | <b>2023<br/>£</b> |
|------------------------------|--|-------------------|-------------------|
| Audit fees                   |  | 4,000             | -                 |
| Depreciation of fixed assets |  | 8,625             | 7,200             |

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

#### 10 Trustees remuneration and expenses

#### 11 Staff costs

The aggregate payroll costs were as follows:

|  | 2024<br>£     | 2023<br>£     |
|--|---------------|---------------|
| <b>Staff costs during the year were:</b> |               |               |
| Wages and salaries                       | 48,147        | 28,508        |
| Pension costs                            | 493           | -             |
|  | <u>48,640</u> | <u>28,508</u> |

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

#### 12 Independent examiner's remuneration

|  | 2023<br>£  |
|--|------------|
| <b>Other fees to examiners</b>         |            |
| Examination-related assurance services | <u>600</u> |

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

#### 13 Auditors' remuneration

#### 14 Taxation

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

#### 15 Tangible fixed assets

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Motor vehicles<br>£ | Total<br>£ |
|-----------------------|----------------------------|---------------------------------|---------------------|------------|
| <b>Cost</b>           |                            |                                 |                     |            |
| At 1 January 2024     | 3,009,207                  | 71,995                          | 5,701               | 3,086,903  |
| At 31 December 2024   | 3,009,207                  | 71,995                          | 5,701               | 3,086,903  |
| <b>Depreciation</b>   |                            |                                 |                     |            |
| At 1 January 2024     | -                          | 49,952                          | -                   | 49,952     |
| Charge for the year   | -                          | 7,200                           | 1,425               | 8,625      |
| At 31 December 2024   | -                          | 57,152                          | 1,425               | 58,577     |
| <b>Net book value</b> |                            |                                 |                     |            |
| At 31 December 2024   | 3,009,207                  | 14,843                          | 4,276               | 3,028,326  |
| At 31 December 2023   | 3,009,207                  | 22,043                          | 5,701               | 3,036,951  |

#### 16 Debtors

|               | 2024<br>£ |
|---------------|-----------|
| Trade debtors | 94        |

#### 17 Cash and cash equivalents

|                     | 2024<br>£ | 2023<br>£ |
|---------------------|-----------|-----------|
| Cash on hand        | 3,992     | 6,812     |
| Cash at bank        | 336,811   | 245,701   |
| Short-term deposits | 611,622   | 602,876   |
|                     | 952,425   | 855,389   |

#### 18 Creditors: amounts falling due within one year

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

|                                    | 2024<br>£ | 2023<br>£ |
|------------------------------------|-----------|-----------|
| Other taxation and social security | 3,027     | 2,316     |
| Other creditors                    | 2,212     | -         |
| Accruals                           | 4,500     | 500       |
|                                    | 9,739     | 2,816     |

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £493 (2023 - £Nil).

#### 20 Funds

|                           | Balance at 1<br>January 2024<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 31<br>December<br>2024<br>£ |
|---------------------------|-----------------------------------|----------------------------|----------------------------|--|
| <b>Unrestricted funds</b> |                                   |                            |                            |  |
| General                   | 3,889,524                         | 368,479                    | (286,897)                  | 3,971,106                              |
|                           | 3,889,524                         | 415,603                    | (223,472)                  | 3,889,524                              |

#### 21 Analysis of net assets between funds

|                       | Unrestricted<br>funds<br>General<br>£ | Total funds at<br>31 December<br>2024<br>£ |
|-----------------------|---------------------------------------|--|
| Tangible fixed assets | 3,028,326                             | 3,028,326                                  |
| Current assets        | 952,519                               | 952,519                                    |
| Current liabilities   | (9,739)                               | (9,739)                                    |
| Total net assets      | 3,971,106                             | 3,971,106                                  |

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

|                       | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total funds at<br/>31 December<br/>2023<br/>£</b> |
|-----------------------|---|--|
| Tangible fixed assets | 3,036,951                                       | 3,036,951  |
| Current assets        | 855,389   | 855,389  |
| Current liabilities   | (2,816)   | (2,816)  |
| Total net assets      | 3,889,524                                       | 3,889,524  |

#### 22 Analysis of net funds

|                          | <b>At 1 January<br/>2024<br/>£</b> | <b>At 31<br/>December<br/>2024<br/>£</b> |
|--------------------------|------------------------------------|--|
| Cash at bank and in hand | 855,389                            | 855,389                                  |
| Net debt                 | 855,389                            | 855,389                                  |
|                          | <b>At 1 January<br/>2023<br/>£</b> | <b>At 31<br/>December<br/>2023<br/>£</b> |
| Cash at bank and in hand | 835,968                            | 835,968                                  |
| Net debt                 | 835,968                            | 835,968                                  |

#### 23 Related party transactions

**THE MUSLIM (HANFI SUNNI) ASSOCIATION**

**Statement of Financial Activities by fund for the Year Ended 31 December 2024**

|                                    | <b>Total<br/>Unrestricted<br/>Funds<br/>2024<br/>£</b> | <b>Total<br/>Unrestricted<br/>Funds<br/>2023<br/>£</b> |
|------------------------------------|--|--|
| <b>Income and Endowments from:</b> |  |  |
| Donations and legacies             | 228,376  | 223,327  |
| Charitable activities              | 1,859  | 2,273  |
| Investment income                  | 8,745  | 4,843  |
| Other income                       | <u>129,499</u>   | <u>185,160</u>   |
| Total income                       | <u>368,479</u>   | <u>415,603</u>   |
| <b>Expenditure on:</b>             |  |  |
| Raising funds                      | (108,995)  | (104,613)  |
| Charitable activities              | <u>(177,902)</u>                                       | <u>(118,859)</u>                                       |
| Total expenditure                  | <u>(286,897)</u>                                       | <u>(223,472)</u>                                       |
| Net income                         | <u>81,582</u>  | <u>192,131</u>   |
| Net movement in funds              | 81,582   | 192,131  |
| <b>Reconciliation of funds</b>     |  |  |
| Total funds brought forward        | <u>3,889,524</u>                                       | <u>3,697,393</u>                                       |
| Total funds carried forward        | <u><u>3,971,106</u></u>                                | <u><u>3,889,524</u></u>                                |

## THE MUSLIM (HANFI SUNNI) ASSOCIATION

### Detailed Statement of Financial Activities for the Year Ended 31 December 2024

|   | <b>Total<br/>2024<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|---|-----------------------------|-----------------------------|
| <b>Income and Endowments from:</b>      |                             |                             |
| Donations and legacies (analysed below) | 228,376                     | 223,327                     |
| Charitable activities (analysed below)  | 1,859                       | 2,273                       |
| Investment income (analysed below)      | 8,745                       | 4,843                       |
| Other income (analysed below)           | 129,499                     | 185,160                     |
| Total income                            | <u>368,479</u>              | <u>415,603</u>              |
| <b>Expenditure on:</b>                  |                             |                             |
| Raising funds (analysed below)          | (108,995)                   | (104,613)                   |
| Charitable activities (analysed below)  | (177,902)                   | (118,859)                   |
| Total expenditure                       | <u>(286,897)</u>            | <u>(223,472)</u>            |
| Net income                              | <u>81,582</u>               | <u>192,131</u>              |
| Net movement in funds                   | 81,582                      | 192,131                     |
| <b>Reconciliation of funds</b>          |                             |                             |
| Total funds brought forward             | <u>3,889,524</u>            | <u>3,697,393</u>            |
| Total funds carried forward             | <u><u>3,971,106</u></u>     | <u><u>3,889,524</u></u>     |

This page does not form part of the statutory financial statements.

**THE MUSLIM (HANFI SUNNI) ASSOCIATION**

**Detailed Statement of Financial Activities for the Year Ended 31 December 2024  
(continued)**

|   | <b>Total<br/>2024<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|---|-----------------------------|-----------------------------|
| <b><i>Donations and legacies</i></b>  |                             |                             |
| Appeals and donations   | 226,954                     | 223,327                     |
| Gift Aid tax reclaimed  | 1,422                       | -                           |
|   | 228,376                     | 223,327                     |
| <b><i>Charitable activities</i></b>   |                             |                             |
| Sale of goods and services made or provided by the beneficiaries of the charity | 1,859                       | 2,273                       |
|   | 1,859                       | 2,273                       |
| <b><i>Investment income</i></b>   |                             |                             |
| Interest on cash deposits   | 8,745                       | 4,843                       |
|   | 8,745                       | 4,843                       |
| <b><i>Other income</i></b>  |                             |                             |
| Fees and supplies   | 123,964                     | 185,160                     |
| Rental income   | 5,535                       | -                           |
|   | 129,499                     | 185,160                     |
| <b><i>Raising funds</i></b>   |                             |                             |
| Educational Services  | (97,195)                    | (96,482)                    |
| Funeral Services  | (8,302)                     | (7,286)                     |
| Islamic Events  | (3,498)                     | (845)                       |
|   | (108,995)                   | (104,613)                   |
| <b><i>Charitable activities</i></b>   |                             |                             |
| Wages and salaries  | (48,147)                    | (28,508)                    |
| Staff pensions (Defined contribution) - pension scheme 1                        | (493)                       | -                           |
| Water rates   | (3,404)                     | (3,948)                     |
| Light, heat and power   | (38,310)                    | (34,461)                    |
| Insurance   | (5,656)                     | (3,751)                     |
| Repairs and renewals  | (48,765)                    | (464)                       |
| Telephone and fax   | (1,917)                     | (2,757)                     |
| Printing, postage and stationery  | (6,469)                     | (5,859)                     |
| Charitable donations  | (9,922)                     | (28,479)                    |
| The audit of the charity's annual accounts                                      | (4,000)                     | -                           |
| Independent examiner's fee  | -                           | (600)                       |
| Bank charges  | (2,070)                     | (2,832)                     |
| Credit card charges   | (124)                       | -                           |
| Depreciation of fixtures and fittings   | (7,200)                     | (7,200)                     |
| Depreciation of motor vehicles  | (1,425)                     | -                           |
|   | (142,425)                   | (104,613)                   |

This page does not form part of the statutory financial statements.

**THE MUSLIM (HANFI SUNNI) ASSOCIATION**

**Detailed Statement of Financial Activities for the Year Ended 31 December 2024  
(continued)**

| <b>Total<br/>2024<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|-----------------------------|-----------------------------|
| <u>(177,902)</u>            | <u>(118,859)</u>            |