

**KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**

Annual Reports and Financial Statements

For the Year Ended 31<sup>st</sup> March 2022

# KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS

## Contents

	<b>Page</b>
Trustees' Report	1
Statement of Trustees' responsibilities	2
Accountants' report	3-4
Statement of Financial Activities	5
Balance sheet	6
Notes to the accounts	7-10

**KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**  
**The report of the trustees for the year ended 31 March 2022**

**Introduction**

The trustees present their annual report and accounts for the year ending 31st March 2022.

The board of trustees are satisfied with the performance of the charity during the year and the position at **31st March 2022** and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations.

**Name, registered office and constitution of the charity**

Date of formation	15/02/1984
The Principal Office is	166 Shadwell Lane, Leeds, LS17 8AD.
Charity Registration Number	514781
Email	info@baabulilm.co.uk

**A summary of the objects of the charity as set out in its governing document.**

To promote the advancement of religion in accordance with the doctrines of the Khoja Shia Ithna-Asheri muslim faith, as well as providing education and leisure activities, in the interest of social welfare to members of the Khoja Shia Ithna-Asheri muslim.

**Public benefit that is provided by the charity**

We have referred to the guidance contained in the Charity commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

**Structure, Governance and Management**

**Board of Trustees**

The property of the community shall be held in the name of four individuals as trustees who shall administer the same in all respect in accordance with the directions of the managing committee. Members of Board of Trustees are: -



**Management committee**

The affairs of the community shall be administered by a managing committee which includes: -

██████████ - President

██████████ - Secretary

██████████ - Treasurer

██████████ - Committee Member

Mr. Mohammad Raza Bhamani – Committee Member

Mrs. Fatim Patel - Committee Member

Mrs. Maliha Fazal - Committee Member

**Independent Examiner**

Ishfaq Shah (AFA MIPA)

Lyel Accountants

Annexe G, Oaktree House,

408 Oakwood Lane, Leeds

LS8 3LG

**KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**  
**The report of the trustees for the year ended 31 March 2022**

**Statement of Trustees' Responsibilities**

The Charities Act requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements;

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are also responsible for the contents of the trustees' report and the responsibility of the independent examiner in relation to the trustees' report is limited to examining the report and ensuring that, on the face of the report there are no inconsistencies with the figures disclosed in the financial statements.

This report was approved by the board of trustees on 23/08/2023.

  
**President**

## **KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**

### **Report of the Independent Examiner to the trustees on the accounts of the Charity for the year ended 31 March 2022**

I report on the financial statements of the Charity on pages 7 to 12 for the year ended 31 March 2022 which have been prepared in accordance with the Charities Act 2011 and with the Financial Reporting Standard for Smaller Entities (FRSSE), effective April 2008, adapted to meet the needs of unincorporated organisations, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity commissioners for England & Wales, effective April 2005 as revised in June 2008. (The SORP), under the historical cost convention and the accounting policies set out on page 12.

#### **Respective responsibilities of trustees and examiner**

As described on page 2, the Charity's trustees are responsible for the preparation of the financial statements. The trustees are satisfied that the audit requirement of Section 144 (1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the governing document or constitution of the Charity for the conducting of an audit. As a consequence, the trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the charity is not subject to audit, and is eligible for independent examination, it is my responsibility to: -

- a) examine the accounts under section 145 of the Charities Act;
- b) to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and;
- c) to state whether particular matters have come to my attention.

#### **Basis of opinion and scope of work undertaken**

I conducted my examination in accordance with the General Directions given by the Charity Commissioners for England & Wales in relation to the conducting of an independent examination, referred to above. An independent examination includes a review of the accounting records kept by the Charity and of the accounting systems employed by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from you as trustees concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of the Charities legislation and that the financial statements comply with the SORP, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the trustees in the course of the examination is not subjected to audit tests or enquiries, and consequently I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalizing the report, I obtain written assurances from the trustees of all material matters.

**KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**  
**Independent Examiner's Statement, report and opinion - Continued**

Subject to the limitations upon the scope of my work as detailed above, in connection with my examination, I can confirm that this is a report in respect of an examination carried out under section 145 of the Act and in accordance with any directions given by the Commission under subsection (5)(b) of that section which are applicable;

and that, no matter has come to my attention in connection with my examination which gives me reasonable cause to believe that in any material respect the requirements

(i) to keep accounting records in accordance with section 130 of the Act;

(ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Act and;

(iii) that the financial statements be prepared in accordance with the methods and principles set out in the Statement of Recommended Practice - Accounting and Reporting by Charities

have not been met; or

to which, in my opinion, attention should be drawn in my report in order to enable a proper understanding of the accounts to be reached;

Independent examiner

Ishfaq Shah (AFA MIPA)  
Lyel Accountants  
Annexe G, Oaktree House, 408  
Oakwood Lane, Leeds  
LS8 3LG

The date upon which my opinion is expressed is \_\_\_\_\_

**KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**

**Statement of Financial Activities  
for the year ended 31 March 2022**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
		2022	2022	2022	2021
		£	£	£	£
<b>Income and Endowments from:</b>					
Charitable activities	12	77,521	7,145	86,666	62,335
Investment income	12	10,150	-	10,150	7,629
Total income		87,671	7,145	94,816	69,965
<b>Expenditure on:</b>					
Charitable activities	13	51,554	-	51,554	76,197
Investment expenses		9,734	-	9,734	-
Governance cost	13	850	-	850	550
Total expenditure		62,138	-	62,138	76,747
Net incoming resources before transfers between funds		25,533	7,145	32,678	(6,782)
Gross transfers between funds		-	-	-	-
Net incoming resources before other recognised gains and losses		25,533	7,145	32,678	(6,782)
Other recognised gains and losses		-	-	-	-
Net movement in funds		25,533	7,145	32,678	(6,782)
Reconciliation of funds					
Total funds brought forward		318,578	1,089,004	1,407,582	1,414,364
Total Funds carried forward	11	344,111	1,096,149	1,440,260	1,407,582

The net movement in funds referred to above is the net incoming resources as defined in the SORP and is reconciled to the total funds as shown in the Balance Sheet on page 9 as required by the SORP.

All activities derive from continuing operations.

The notes on pages 7 to 10 form an integral part of these accounts.

**KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**  
**Balance Sheet as at 31 March 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	8	<u>1,529,651</u>	<u>1,488,265</u>
Total fixed assets		<b>1,529,651</b>	<b>1,488,265</b>
<b>Current assets</b>			
Debtors		3,483	3,191
Cash at bank and in hand		47,409	87,313
amounts due within one year	9	<u>(3066)</u>	<u>(33,970)</u>
<b>Net current assets</b>		<b>47,826</b>	<b>56,534</b>
Total assets less current liabilities		<u>1,577,477</u>	<u>1,544,799</u>
<b>Creditors:</b>			
amounts due after more than one year	10	(137,217)	(137,217)
<b>Net Assets</b>		<u><b>1,440,260</b></u>	<u><b>1,407,582</b></u>
<b>Funds of the Charity:</b>			
Unrestricted funds		344,111	318,578
Restricted funds		<u>1,096,149</u>	<u>1,089,004</u>
<b>Total Funds</b>	11	<u><b>1,440,260</b></u>	<u><b>1,407,582</b></u>

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

  
**President**

Approved by the board of trustees on \_\_\_\_\_

The notes on pages 7 to 10 form an integral part of these accounts.

## **1 Accounting policies**

### ***Basis of preparation of the accounts***

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective April 2008, and all other applicable accounting standards, as modified by the Statement of Recommended

Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, (revised June 2008) (The SORP) adapted to meet the needs of unincorporated organisations. The accounts have been drawn up in accordance with the provisions of the Charities (Accounts and Reports) Regulations 2008 Acts and include the results of the charity's operations which are described in the Trustees' Report, all of which are continuing. Insofar as the SORP requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

### ***Accounting Convention***

The financial statements are prepared, on a going concern basis, under the historical cost convention as modified by the revaluation of freehold land and buildings and fixed asset investments.

### ***Expenditure***

All expenditure is recognized 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 those 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.

### ***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.

### ***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.

Freehold charitable and investment property, land and buildings, are revalued every year to open market value using an independent professional valuer.

### ***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:

Land and Buildings - Not depreciated.

Plant and Machinery - 25% Reducing balance method.

**Trade debtors**

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.

**Recognition of liabilities**

Liabilities are recognized on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the

**2 Expenses paid to trustees or connected persons.**

No expenses were paid to trustees or persons connected with them.

**3 Trustees' Remuneration**

Neither the trustees nor any persons connected with them have received any remuneration, either in the current year or the prior year.

**4 Adjustment for grant income**

The grant received from C.O.E.J. COUNCIL in previous years is reallocated from balance sheet to income account.

**5 Taxation**

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

**6 Staff costs**

The aggregate payroll costs were as follows:

	<b>2022</b>	<b>2021</b>
	£	£
<b>Staff costs during the year were:</b>		
Wages and salaries	13,125	9,000
Employer's National Insurance	708	-
	<hr/>	<hr/>
	13,833	9,000
	<hr/>	<hr/>
<b>No. of employees</b>	1	1

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

**7 Net incoming/outgoing resources**

Net incoming/outgoing resources for the year include:

	<b>2022</b>	<b>2021</b>
	£	£
Depreciation of fixed assets	1,783	1,029

**KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**  
**Notes to the Accounts for the year ended 31 March 2022 - Continued**

**8 Tangible functional fixed assets**

	<b>Freehold Land and Buildings</b>	<b>Plant, Machinery &amp; Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Asset cost, valuation, or revalued amount</b>			
At 1 April 2021	1,485,177	31,970	1,517,147
Additions	-	4,043	4,043
Improvements	39,126	-	39,126
At 31 March 2022	<b>1,524,303</b>	<b>36,013</b>	<b>1,560,316</b>
<b>Accumulated depreciation and impairment provisions</b>			
At 1 April 2021	-	28,882	28,882
Depreciation on revaluation	-	-	-
Charge for the year	-	1,783	1,783
At 31 March 2022	-	<b>30,665</b>	<b>30,665</b>
<b>Net book value</b>			
At 31 March 2022	<b>1,524,303</b>	<b>5,348</b>	<b>1,529,651</b>
At 31 March 2021	1,485,177	3,088	1,488,265

<b>9 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	32,950
PAYE	1,361	-
Net Wages	1,155	-
Accrued expenses	550	1,020
	<b>66</b>	<b>33,970</b>

<b>10 Creditors: Amounts Falling due after one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other Creditors (Qarz-e-Hasna)	137,217	137,217

<b>11 Funds Reconciliation</b>	<b>Balance at 1<sup>st</sup> April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Balance at 31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	318,578	87,671	(62,138)	344,111
Restricted funds	1,089,004	7,145	-	1,096,149
<b>Total funds</b>	<b>1,407,582</b>	<b>94,816</b>	<b>(62,138)</b>	<b>1,440,260</b>

**KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITY OF METRO LEEDS**  
**Notes to the Accounts for the year ended 31 March 2022 - Continued**

**12 Detailed of incoming resources**

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Income and Endowments from</b>				
<b><i>Charitable activities</i></b>				
Donations	32,558	1,645	34,203	42,373
Khums	-	5,500	5,500	19,962
Grant received	37,950	-	37,950	-
Gift Aid tax reclaimed	7,013	-	7,013	-
	<b>77,521</b>	<b>7,145</b>	<b>84,666</b>	<b>62,335</b>
<b><i>Investment income</i></b>				
Income from investment properties	10,150	-	10,150	7,629
Interest income	-	-	-	1
<b>Total income</b>	<b>87,671</b>	<b>7,145</b>	<b>94,816</b>	<b>69,965</b>

**13 Detailed of resources expended**

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Expenditure on</b>				
Events	5,135	-	5,135	1,400
Hadiya & Niyaz	17,126	-	17,126	3,508
Khums	-	-	-	40,242
Donations to other charities	-	-	-	5,000
Staff salaries	13,125	-	13,125	9,000
Employer NI	708	-	708	-
Rent & Rates	1,113	-	1,113	5,117
Light and heat	2,368	-	2,368	3,766
Repairs and maintenance	5,132	-	5,132	3,288
Telephone and internet	742	-	742	781
Subscription	400	-	400	916
Cleaning	780	-	780	40
Insurance	1,916	-	1,916	1,915
Legal and professional	976	-	976	-
Bank Charges	250	-	250	195
Depreciation	1,783	-	1,783	1,029
	<b>51,554</b>	<b>-</b>	<b>51,554</b>	<b>76,197</b>
<b><i>Other expenditures</i></b>				
Expenses on Investment properties	9,734	-	9,734	-
Independent examination	850	-	850	550
<b>Total Expenditures</b>	<b>62,138</b>	<b>-</b>	<b>62,138</b>	<b>76,747</b>