

Charity registration number 518022

MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

**MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mr Khawaja Mohammed Shafique Mr Mohammad Younis Mr Muhammad Nawaz Mr Mohammed Younas
Chairperson	Mr Khawaja Mohammed Shafique
Treasurer	Mr Mohammad Younis
Secretary	Mr Muhammad Nawaz
President	Mr Mohammed Younas
Charity number	518022
Principal address	233 St Saviours Road Saltley Birmingham B8 1ER
Independent examiner	Kaiser Nouman Nathan LLP 57 Alfred Street Sparkbrook Birmingham B12 8JP
Bankers	Barclays Bank PLC 534 Coventry Road Small Heath Birmingham B10 0UZ

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MADRASSA ZIA UL QURAN (MOSQUE AND RELIGIOUS TEACHING INSTITUTE) TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Madrassa Zia UI Quran's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Madrassa Zia UI Quran's object is to provide a place of worship and religious teaching and education for the benefit of local Muslim Community. The policies adopted in furtherance of these objects are same as last year and there has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Madrassa Zia UI Quran should undertake.

Funds are being held in cash to finance building expansion and possible investment to ensure future operations and revenues.

Achievements and performance

Financial review

It is the policy of the Madrassa Zia UI Quran that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Madrassa Zia UI Quran's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the Madrassa Zia UI Quran is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr Khawaja Mohammed Shafique

Mr Mohammad Younis

Mr Muhammad Nawaz

Mr Mohammed Younas

The Trustees report was approved by the Board of Trustees.

Mr Khawaja Mohammed Shafique

Chairperson

30 October 2023

**MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF MADRASSA ZIA UL QURAN**

I report to the Trustees on my examination of the financial statements of Madrassa Zia Ul Quran (the Madrassa Zia Ul Quran) for the year ended 31 December 2022.

Responsibilities and basis of report

As the Trustees of the Madrassa Zia Ul Quran you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Madrassa Zia Ul Quran's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

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

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

- 1 accounting records were not kept in respect of the Madrassa Zia Ul Quran as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

Kaiser Nouman Nathan LLP
57 Alfred Street
Sparkbrook
Birmingham
B12 8JP

Dated: 30 October 2023

**MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from:			
Charitable activities	3	190,853	163,755
Expenditure on:			
Charitable activities	4	110,196	102,760
Net income for the year/ Net movement in funds		80,657	60,995
Fund balances at 1 January 2022		1,774,107	1,713,112
Fund balances at 31 December 2022		<u>1,854,764</u>	<u>1,774,107</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Property, plant and equipment	8		1,323,633		1,342,447
Current assets					
Trade and other receivables	9	1,898		2,894	
Cash at bank and in hand		534,398		429,849	
		536,296		432,743	
Current liabilities	10	(5,165)		(1,083)	
Net current assets			531,131		431,660
Total assets less current liabilities			<u>1,854,764</u>		<u>1,774,107</u>
Income funds					
Unrestricted funds			1,854,764		1,774,107
			<u>1,854,764</u>		<u>1,774,107</u>

The financial statements were approved by the Trustees on 30 October 2023

Mr Khawaja Mohammed Shafique
Chairperson

**MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

Charity information

Madrassa Zia UI Quran is a registered charity in England (Registration number: 518022).

1.1 Accounting convention

The financial statements have been prepared in accordance with the Madrassa Zia UI Quran's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The Madrassa Zia UI Quran is a Public Benefit Entity as defined by FRS 102.

The Madrassa Zia UI Quran has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Madrassa Zia UI Quran has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Madrassa Zia UI Quran.

1.4 Income

Income is recognised when the Madrassa Zia UI Quran is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Madrassa Zia UI Quran has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Madrassa Zia UI Quran has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% per annum on net book value
Fixtures and fittings	15% per annum on net book value

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

1.7 Impairment of non-current assets

At each reporting end date, the Madrassa Zia UI Quran reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the Madrassa Zia UI Quran's balance sheet when the Madrassa Zia UI Quran becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Madrassa Zia Ul Quran's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Madrassa Zia Ul Quran is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the Madrassa Zia Ul Quran's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

3 Charitable activities

	Unrestricted 2022 £	Unrestricted 2021 £
Donations and Legacies	190,853	151,997
Other Income	-	11,758
	<u>190,853</u>	<u>163,755</u>

4 Charitable activities

	2022 £	2021 £
Wages & NIC	46,232	32,652
Depreciation	29,494	28,648
Rates and Insurance	6,045	6,065
Light & Heat	16,292	15,312
Telecommunication & Postage	533	769
Books and Stationery	965	1,425
Repairs and Alarm Maintenance	5,259	9,694
Book keeping	504	492
Accountancy fee	1,500	690
Cleaning and Waste disposal	2,402	4,703
Sundry expenses	970	2,310
	<u>110,196</u>	<u>102,760</u>
	<u>110,196</u>	<u>102,760</u>

5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Madrasa Zia UI Quran during the year.

6 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>4</u>	<u>4</u>

**MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

6 Employees **(Continued)**

Employment costs	2022	2021
	£	£
Wages and salaries	46,232	32,652

There were no employees whose annual remuneration was more than £60,000.

7 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

8 Property, plant and equipment

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2022	1,866,684	57,610	1,924,294
Additions	-	10,680	10,680
At 31 December 2022	1,866,684	68,290	1,934,974
Depreciation and impairment			
At 1 January 2022	532,254	49,593	581,847
Depreciation charged in the year	26,689	2,805	29,494
At 31 December 2022	558,943	52,398	611,341
Carrying amount			
At 31 December 2022	1,307,741	15,892	1,323,633
At 31 December 2021	1,334,430	8,017	1,342,447

9 Trade and other receivables

	2022	2021
	£	£
Amounts falling due within one year:		
Trade receivables	1,898	2,894

MADRASSA ZIA UL QURAN
(MOSQUE AND RELIGIOUS TEACHING INSTITUTE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Current liabilities

	2022	2021
	£	£
Other taxation and social security	145	70
Trade payables	4,430	323
Accruals and deferred income	690	690
	<u>5,165</u>	<u>1,083</u>

11 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).