



ALHIKMAH FOUNDATION SCIO

2015
ANNUAL
REPORT

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KEY FIGURES

2015

£1.9m

Waqf (Permanent Endowment)

80%

Masjid completion progress

Phase 2

of the Masjid set to begin

2014

£0.9m

Waqf (Permanent Endowment)

36%

Masjid completion progress

Phase 1

of the Masjid set to begin



TRUSTEES' ANNUAL REPORT

Mercat Cross on High Street in Aberdeen Scotland

Trustees' Annual Report

Year ended 31 December 2015

All Praise is due to Allah, Lord of all the worlds and peace and blessings be on the noblest Messenger, our Prophet Muhammad and on his household and his companions and those who follow them in performance of good deeds until the Day of Judgement.

Dear Gentle and Respected Readers,

The Trustees have pleasure in presenting their report together with the financial statements and the independent auditors' report for the year ended 31 December 2015.

It has been a momentous year for the Charity. Phase 1 of the Masjid construction, which relates to the external structure and foundation, has been successfully completed and the Masjid is now wind and water tight. At the end of the year the Charity had £1.9 million of Waqf (permanent endowments) and the Masjid project is 80% complete.

The next step is now to raise funds for Phase 2, internal works before the long awaited Masjid opening. The Trustees would like to express their heartfelt thanks to all that has supported and donated towards building this house of Allah.

**£1.9 million
of Waqf
(permanent
endowments)
and the Masjid
project is 80%
complete.**



OBJECTIVES

Charitable Purposes

The Charity is established for charitable purposes only, and in particular, the objects are:

- To advance religion, and in particular the understanding and practice of the Islamic faith for the benefit of the Muslim community and the wider public;
- To advance education, particularly in connection with the Islamic faith;
- To promote religious and racial harmony, particularly through striving to nurture harmony between Muslims and non-Muslims in order to achieve mutual understanding; and
- To relieve those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through providing welfare services (and on the basis that any funds received for a particular and specific cause shall only be used in furtherance of that cause);
- To advance citizenship and community development;
- To provide recreational facilities, or the organisation of recreational activities with the object of improving the conditions of life of the Muslim community and the wider public;

Vision

A Masjid for the remembrance of Allah Subhanahu Wa Ta'ala, providing Islamic knowledge to the public and facilitating development of the community (with emphasis on Muslim children and women).

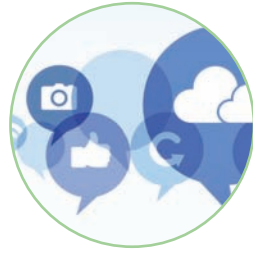
Mission

- Exemplary lifecycle religious services and activities
- Professional management committed to serve the institution
- An environment that promotes high levels of community involvement
- Impeccable Masjid facilities

Values

- Excellence through individual and collective diligent effort
- Teamwork uniting us with a common vision even when there are different opinions
- Commitment to fulfill our duties
- Shura at the core of our decision making process

ACHIEVEMENTS IN 2015 (ALHAMDULILLAH)



Engagement and communication

- Over 50 people attended internal design workshop
- Foundation website with over 20,000 unique visits
- Regular community Mailchimp emails
- Social media presence (Facebook, Twitter and LinkedIn) with over 5,000 likes on Facebook
- Regular PR releases for project milestone achievements
- A manned telephone line and punctual responses to telephone and email queries



INTERNAL DESIGN
WORKSHOP ATTENDANCE

50



LIKES ON FACEBOOK

5,000

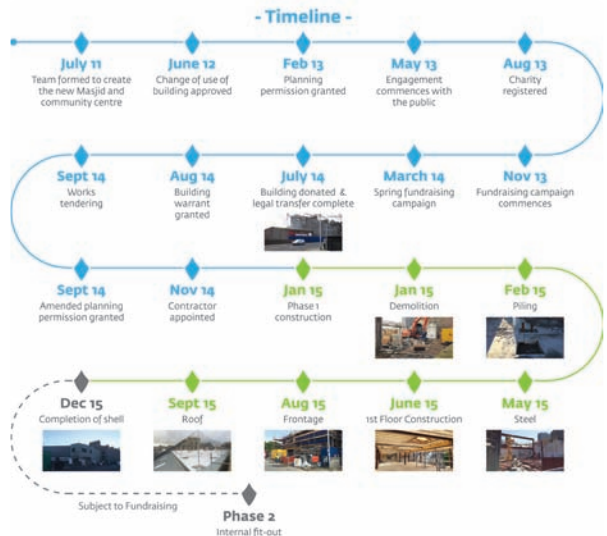


UNIQUE VISITS TO THE FOUNDATION WEBSITE

20,000

Property

- January 2015 Phase 1 Construction started and demolition completed
- February 2015 Piling completed
- May 2015 Steelwork completed
- June 2015 1st floor construction completed
- August 2015 Frontage completed
- September 2015 Roof completed
- January 2016 Phase 1 Construction completed



ACTIVITIES

The Charity carries out a wide variety of activities in pursuance of its charitable aims, summarised below:

Fundraising

- Three fundraising dinners with over 400 people in attendance (at each dinner) and over £400,000 in donations and pledges received
- Community active in individual and collective fundraising initiatives
- 10 sisters ran the 'Colour Me Rad' marathon and raised £5,000
- Family fun day with over 500 in attendance, 30 stalls and approximately £5,000 raised
- Sudanese family event with over 500 in attendance and approximately £3,000 raised
- 15 brothers climbed and conquered Snowdonia mountain and raised over £10,000
- Ambassador led initiatives – Alhikmah Football Cup, Cricket Tournament, Weekly Food Sales
- Individual JustGiving Pages being set up to raise funds for the Charity
- Regular Direct Debits set up in the year



AMOUNT RAISED FROM THREE FUNDRAISING DINNERS

£400,000



AMOUNT RAISED BY 10 SISTERS
COLOR ME RAD MARATHON

£5,000



ATTENDANCE SUDANESE
FAMILY EVENT

500



15 BROTHERS CONQUER
SNOWDONIA & RAISE

£10,000

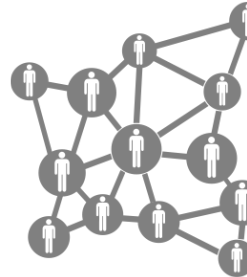




ACTIVITIES

Outreach

- Community Iftar during Ramadan
- Sports tournaments to engage the youth
- Community engagement meetings
- Launching ceremony of Phase 1 construction with Lord Provost and CHAP Construction. Well covered on media such as BBC, STV, Press & Journal and other media outlets
- Attendance at AlNoor School Award Ceremony





FINANCIAL REVIEW

Alhamdulillah the Charity received £519,368 (2014: £1,463,492) of income in the year.

The biggest contributor to the Charity's income are;

- The three fundraising dinners held, with over 400 people in attendance at each dinner, where all three combined generated over £400,000 in donations and pledges.
- Gift Aid was also an important income stream where £53,094 (2014: £58,885) was received in the year.
- The rest of the donations came from various other donation channels such as the 18 donation boxes in circulation, JustGiving and other online portals.

After deducting expenditure, the Charity had a net income of £466,560 (2014: £1,351,172).

Charity Financial Highlights

	2015	2014
	£	£
Masjid Project Percentage of Completion	80%	36%
Gross Income	£519,368	£1,463,492
Outstanding Promises	£174,385	£88,710
Waqf Funds (Permanent Endowments)	£1,850,677	£863,525
Gift Aid / Donated Monies %	13.3%	10.6%
Net Income (excluding donated building)	£466,560	£626,172
Expenditure / Income (excluding donated building) %	10.2%	15.2%



Due to certain promises being fulfilled slower than anticipated, there was a mismatch of timing between donations received against the construction bills that were presented. This has caused the restricted funds of the Charity at the end of the year to be in a deficit position. Through diligent cash management and continuous fundraising, the majority of accruals at the end of the year that has caused the deficit have been settled by March 2016.

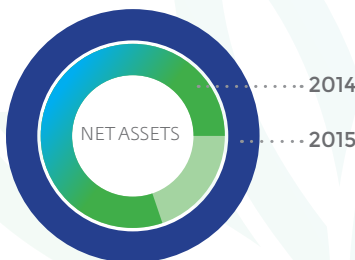
Outstanding promises at the end of the year amounted to £174,385 (2014: £88,710)

At the end of the year, the Charity had a strong financial position with net assets of £1.8 million (2014: £1.4 million). This is mainly made up of the following;

- Freehold Land and Building, £1,850,677 (2014: £863,525)
- Debtors, £37,766 (2014: £1,327)
- Cash at Bank & In-Hand, £20,050 (2014: £507,363)
- Accruals, £90,847 (2014: £22,450)

The Trustees are grateful for the support and donations received which underpinned the strong financial position of the Charity.

**In 2015 the
Charity received
£519,368 income**



HIGHLIGHTS

3

FUNDRAISING DINNERS



400

PEOPLE IN ATTENDANCE AT
EACH DINNER



£400,000

IN DONATIONS AND PLEDGES



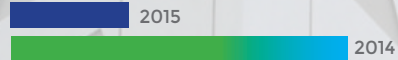
INCOME RECEIVED



GIFTAID



NET INCOME



OUTSTANDING PROMISES





*Jazakallahu
khairan to all those
who made our year
a success!*



RESERVES POLICY

At 31 December 2015, the Charity held 4 separate funds being;

1. Waqf Funds

On 11 July 2014, equivalent to 14 Ramadan 1435 A.H. (After Hijrah), the Charity received a gift in the form of freehold land and building situated at 41 Nelson Street, Aberdeen, AB24 5ER. The Charity acknowledged the particular purpose of the gift, being that the freehold and building is to be developed for use as a masjid and community centre and agreed that the freehold land and building would be utilised for this purpose thereafter, to be treated as a Waqf and Islamic rulings of Waqf will apply to it. This gift formed the first Waqf (permanent endowment) to be entrusted to the Charity.

2. Restricted Funds – Masjid Alhikmah and Community Centre Project

Masjid Alhikmah is a new fit-for-purpose, family friendly Masjid and Community Centre being built in Aberdeen to serve the community. The usage of these funds is restricted towards the costs of bringing Masjid Alhikmah and Community Centre into use. The funds are transferred to the Waqf (permanent endowments) in line with the capitalisation of the development costs of the project.

3. Restricted Funds – Zakat

Zakat is a compulsory act of worship that requires Muslims who own wealth at or over a certain threshold (called the Nisab) to donate a portion of that wealth, typically 2.5% to those who are eligible. It is a right the poor have over the rich. The Charity acts as an administrator of this process and the distribution of these funds is restricted towards the eight categories of eligible recipients as specified in the Noble Qur'an.

4. Unrestricted funds

These are donations received with no specification of its use by the donors. Unrestricted funds are available for use at the discretion of the Trustees for any of the Charity's purposes.



PLANS FOR THE FUTURE

Alhamdulillah £987,152 worth of donations has been safely spent towards the completion of Phase 1 (external structure and foundation) of the construction of the Masjid in the year. This means the Masjid is now wind and water tight. All the £987,152 spent on the Masjid adds to the cumulative Waqf funds of the Charity.

Going forward, the focus is to raise the required donations in order to fund Phase 2 (internal works) of the construction of the Masjid. Various fundraising efforts have already been planned to facilitate this anticipated progress. There are also a lot of community engagement efforts planned to further facilitate community cohesion here in Aberdeen.



STRUCTURE, GOVERNANCE & MANAGEMENT

Constitution

The Charity is a Scottish Charitable Incorporated Organisation (SCIO). It is governed by its constitution, which was adopted on 5 June 2013. The Charity was granted charitable status by Office of the Scottish Charity Regulator (OSCR) on 28 August 2013.

Organisational structure and decision-making

The Charity Trustees are responsible for the strategic direction, governance and day-to-day management of the Charity. The Trustees give their time freely and receive no remuneration or other financial benefits.

The Trustees meet together as a body weekly and are responsible for all decisions taken in relation to running of the Charity and the activities provided by the Charity. The Charity has active ambassadors who assist the Charity with activities throughout the year.

The Trustees meet in a Quarterly Board Meeting and the Annual General Meeting (AGM). The business at the AGM includes a report by the Amir on the activities of the Charity and consideration by the Trustees of the future strategy of the Charity including a review of key risks and opportunities.

Attendance by the Trustees at the most recent meetings of the Board of Trustees is summarised below;

Name	Board Attendance
Sarfraz Ali	4/4
Abbas Ariff	4/4
Mamun Razzak	3/4
Aqeel Ajazi	4/4
Eltijani Elias	2/4
Iftikar Mian	4/4
Mohamed Mashaal	2/4
Naveed Qamar	4/4
Yusuf Nasidi	4/4

The Board of Trustees regularly consults its two sub-committees, the Fiqh Committee and the Shura Committee on relevant matters in order to arrive at the right decision. The Shura Committee has been consulted twice in the year relating to phase 2 timings and internal design of the masjid. The Fiqh Committee has been consulted several times in the year. Among the consultations undertaken include fiqh matters relating to insurance, types of entertainment (for the fundraising dinner), internal design of the masjid and zakat distribution.

Recruitment and appointment of trustees

The existing Trustees are responsible for the recruitment of new trustees but in so doing the Trustees seek the views and recommendations of both the Shura Committee and the community.

In selecting new trustees, we seek to identify people who regularly attend meetings and events organised by the Charity and are willing to volunteer to help in our broader community work.

Potential trustees are invited to attend Trustees' meetings as observers and are given more details of the Charity's aims and activities, they are then proposed as new trustees at the subsequent Trustees' meeting. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Induction and training of trustees

Following appointment, new trustees are introduced to their new role and given a copy of the constitution and a guide to the policies and procedures adopted by the Charity.

Risk Management

The Trustees have assessed the risks the Charity faces and have drawn up a risk matrix which identifies the major risks by area of activity, the nature of those risks, the likelihood of the risks happening and the measures taken to manage them. The Trustees are satisfied that systems are in place, or arrangements are in hand, to manage the risks that have been identified.

Reference & Administrative Information

Charity Name - Alhikmah Foundation SCIO
Charity Number - SC044230
Principal Office - 41 Nelson Street, Aberdeen, AB24 5ER

BOARD OF TRUSTEES

Name	Position	Elected
Sarfraz Ali	Amir (Chairman)	28 Aug 2013
Abbas Ariff	Vice Amir (Vice Chairman)	28 Aug 2013
Mamun Razzak	Secretary	28 Aug 2013
Aqeel Ajazi		28 Aug 2013
Eltijani Elias		28 Aug 2013
Iftikar Mian		28 Aug 2013
Mohamed Mashaal		28 Aug 2013
Naveed Qamar		25 Oct 2014
Yusuf Nasidi		28 Aug 2013



Consultant and Advisor

Saad Khan

Shura Committee

Eltijani Elias, Mohamed Eltawil and Naveed Qamar

Fiqh Committee

Eltijani Elias, Mohamed Eltawil and Dr. Khaled Ahmed.

Auditors

Hall Morrice LLP, 7 Queen's Terrace,
Aberdeen, AB10 1XL

Solicitors

The Commercial Law Practice LLP, 2
Rubislaw Terrace, Aberdeen, AB10 1XE

Bankers

HSBC PLC, 95-99 Union Street, AB11 6BD
Charities Aid Foundation, 25 Kings Hill
Avenue, West Malling, ME19 4TA

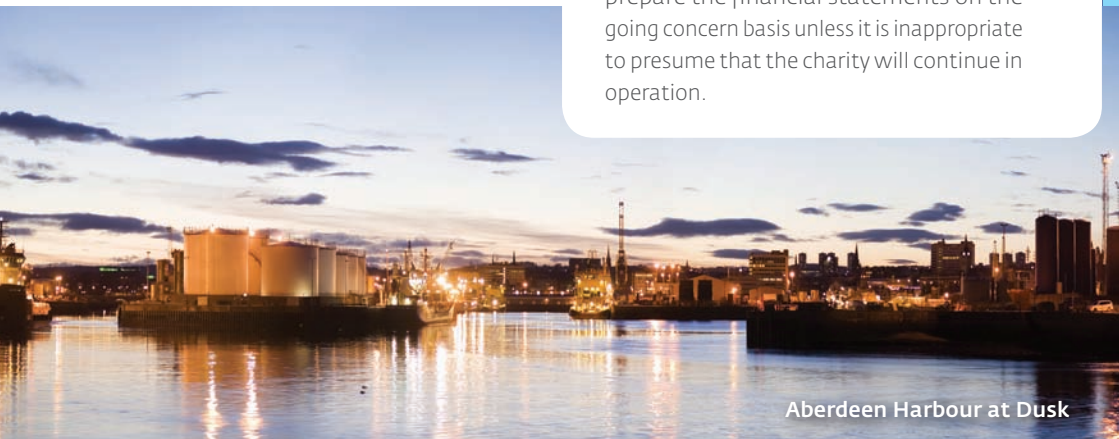
Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.



Aberdeen Harbour at Dusk

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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. 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.

Auditors

A resolution proposing that Hall Morrice LLP be reappointed will be put to the Annual General Meeting.

Approved by the Trustees on 1 June 2016 and signed on their behalf by:

Sarfraz Ali
Amir (Chairperson)



INDEPENDENT AUDITORS' REPORT

to the Trustees of Alhikmah Foundation SCIO

We have audited the financial statements of Alhikmah Foundation SCIO for the year ended 31 December 2015 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees Report the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015, and of its incoming resources and application of resources, 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:
- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for an audit.

Hall Morrice LLP
Statutory Auditors
Aberdeen
1 June 2016



FINANCIAL STATEMENTS

Daffodils at Aberdeen Park

Statement of Financial Activities

Year ended 31 December 2015

Continuing Activities	Note	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2015	Total 2014
		£	£	£	£	£
Income and endowments From:						
Donations	2	10,959	484,495	-	495,454	1,434,412
Other trading activities	2	23,914	-	-	23,914	29,080
Total income		34,873	484,495	-	519,368	1,463,492
Expenditure on:						
Raising funds	3	(30,011)	(19,797)	-	(49,808)	(109,320)
Charitable activities	3	(3,000)	-	-	(3,000)	(3,000)
Total expenditure		(33,011)	(19,797)	-	(52,808)	(112,320)
Net Income before Transfers		1,862	464,698	-	466,560	1,351,172
Gross Transfers between Funds	9	-	(987,152)	987,152	-	-
Net Movement in Funds		1,862	(522,454)	987,152	466,560	1,351,172
Funds as at 31 December 2014		613	487,034	863,525	1,351,172	-
FUNDS AS AT 31 DECEMBER 2015		2,475	(35,420)	1,850,677	1,817,732	1,351,172

Balance Sheet

As at 31 December 2015

	Note	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2015	Total 2014
		£	£	£	£	£
Fixed Assets						
Freehold Land and Building	6	-	-	1,850,677	1,850,677	863,525
Current Assets						
Debtors	7	-	37,766	-	37,766	1,327
Cash at Bank & In-Hand	7	2,475	17,575	-	20,050	507,363
Prepayments		-	86	-	86	1,407
Current Liabilities						
Creditors: Amounts Falling Due within One Year	8	-	(90,847)	-	(90,847)	(22,450)
Net Current Assets / (Liabilities)		2,475	(35,420)	-	(32,945)	487,647
Net Assets / (Liabilities)		2,475	(35,420)	1,850,677	1,817,732	1,351,172
The Funds of the Charity	9	2,475	(35,420)	1,850,677	1,817,732	1,351,172

Approved by the Board of Trustees on 1 June 2016 and signed on behalf by:

Sarfraz Ali
Amir (Chairperson)

Statement of Cash Flows

Year ended 31 December 2015

	2015	2014
	£	£
Net Movements in Funds	466,560	1,351,172
Donated Freehold Land and Building	-	(725,000)
Net Movements in Funds excluding Waqf	466,560	626,172
Net cash used in operating activities		
Increase in Debtors	(36,439)	(1,327)
Decrease / (Increase) in Prepayments	1,321	(1,407)
Increase in Accruals	68,397	3,000
	499,839	626,438
Waqf (Permanent Endowments)		
Increase in Waqf (Permanent Endowments)	(987,152)	(119,075)
Change in cash and cash equivalents in the year	(487,313)	507,363
Cash and cash equivalents brought forward	507,363	-
Cash and cash equivalents carried forward	20,050	507,363



NOTES TO THE FINANCIAL STATEMENTS

Wooden Groyne on Aberdeen Beach entering the North Sea

Notes to the Financial Statements

Year ended 31 December 2015

1 Principal accounting policies

(a) General information

Alhikmah Foundation SCIO ("the Charity") is a Scottish Charitable Incorporated Organisation (SCIO). It is governed by its constitution, which was adopted on 5 June 2013. The Charity was incorporated and granted charitable status by the Scottish Charity Regulator (OSCR) on 28 August 2013.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Charity constitutes a public benefit entity as defined by FRS 102.

The most significant areas of adjustment and key assumptions that affect items in the accounts are the categorisation of the Charity's funds which are described in further detail below.

(c) Going concern

The Charity has adequate resources and is well placed to manage future risks. The Charity's planning process, including financial

projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe that there are no material uncertainties that call into doubt the Charity's ability to continue. The financial statements have therefore been prepared on the basis that the Charity is a going concern.

(d) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

(e) Fund accounting

The Charity accounts for separate types of funds for which it is responsible to the donors in accordance with their terms of trust. These separate funds are described below;

Unrestricted funds: All donations are considered unrestricted unless specifically stated in the fundraising appeal or specifically stated by the donor. Unrestricted funds are available for use at the discretion of the Trustees for any of the Charity's purposes.

Restricted funds: Restrictions arise when specified by the donor or when funds are raised for specific purposes. The current restricted funds are;

1. Masjid Alhikmah and Community Centre Project at 41 Nelson Street, Aberdeen, AB24 5ER. Masjid Alhikmah is a new fit-for-purpose, family

friendly Masjid and Community Centre being built in Aberdeen to serve the community. The usage of these funds is restricted towards the costs of bringing Masjid Alhikmah and Community Centre into use. The funds are transferred to the Waqf (permanent endowments) in line with the capitalisation of the development costs of the project.

2. Zakat

Zakat is a compulsory act of worship that requires Muslims who own wealth at or over a certain threshold (called the Nisab) to donate a portion of that wealth, typically 2.5% to those who are eligible. It is a right the poor have over the rich. The Charity acts as an administrator of this process and the distribution of these funds is restricted towards the eight categories of eligible recipients as specified in the Noble Qur'an.

Waqf (Permanent Endowment) funds:

Waqf refers to a religious endowment, a voluntary and irrevocable dedication of one's wealth or a portion of it, in cash or kind, and its disbursement for Shariah compliant projects. Waqf is a permanent donation and is a Sadaqah Jariah (continuous charity). Once Waqf is created, it can never be donated as a gift, inherited or sold to create expendable income. Disbursement of its returns is done in accordance with the endower's wishes. These are funds that have been given to Charity subject to the restriction that they are to be held as capital or spent on a long-term charitable asset. The Charity in this regards acts as an executor of the Waqf, to fulfill the endower's wishes, to protect the Waqf and to ensure its sustainability.

(f) Income

All income are included in the Statement of Financial Activities (SOFA) when the Charity has

entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations: Comprises all incoming resources from donations.

Other trading activities: Comprise income generated from fundraising efforts such as entrance fees to the charity's fundraising dinners and events.

(g) Donated Services

Where services have been donated, they are included in the Statement of Financial Activities at the value the Charity would pay in the open market for a service of equivalent utility to the Charity. An equivalent amount would be included as expenditure in the Statement of Financial Activities.

(h) Gifts in kind

Gifts in kind for use by the Charity are included in the Statement of Financial Activities at their approximate market value at the date of receipt. Gifts in kind for distribution are included in the Statement of Financial Activities at their approximate market value at the date of distribution.

(i) Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles.

(j) Expenditure

All expenditure is accounted for on an accruals basis and is recognised where there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to that category. Costs of raising funds are costs incurred in attracting voluntary income, and those as stated under the various headings.

Charitable activities: The costs associated with the governance arrangements, which relates to the general running of the Charity. This includes such items as internal and external audit, legal advice, and costs associated with constitutional and statutory requirements.

Support costs: Support costs to a single activity are allocated directly to that activity. Where support costs relate to several activities, support costs have been allocated to each of the activities on the basis of the time spent during the period in the relevant activity. The amount of time spent on a particular activity is determined by the estimated equivalent time devoted by the Trustees and Ambassadors to perform the task. Support costs represent the support functions of management, finance and accounts, human resources, IT and offices facilities.

(i) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(k) Fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience. Depreciation is not charged for assets under construction.

(l) Donated Assets

Where fixed assets have been donated, they are included in the Balance Sheet at their current value at the date of the gift and also included in the Statement of Financial Activities as an incoming resource.

(m) Taxation

As a registered charity, the Charity is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value added tax (VAT) is not recoverable by the Charity, and is therefore included in the relevant costs in the Statement of Financial Activities.



Aberdeen Central Library at
Rosemount Viaduct

Notes to the Financial Statements

Year ended 31 December 2015

2. Income and endowments

	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2015	Total 2014
	£	£	£	£	£
<i>Donations</i>					
Donated Monies	-	398,490	-	398,490	557,306
Donated Freehold Land and Building	-	-	-	-	725,000
Gift Aid	10,959	42,135	-	53,094	58,885
Auctions	-	27,925	-	27,925	25,875
Gifts in Kind	-	15,100	-	15,100	3,931
Zakat Collected	-	845	-	845	1,250
Donated Services	-	-	-	-	62,165
<i>Other Trading Activities</i>					
Dinner and Events	23,914	-	-	23,914	29,080
TOTAL INCOME	34,873	484,495	-	519,368	1,463,492

In 2014 £725,000 was attributable to Waqf funds, £647,247 was attributable to restricted funds and £91,245 attributable to unrestricted funds.



Notes to the Financial Statements

Year ended 31 December 2015

3. Expenditure

	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2015	Total 2014
	£	£	£	£	£
<i>Raising Funds</i>					
Cost of Generating Funds	-	2,107	-	2,107	13,947
Auctions Costs	-	1,680	-	1,680	2,800
Zakat Distributed	-	910	-	910	1,010
Gift in Kind	-	15,100	-	15,100	3,931
Donated Services Utilised	-	-	-	-	62,165
Dinner and Events	30,011	-	-	30,011	25,467
<i>Charitable Activities</i>					
Auditors' Remuneration	3,000	-	-	3,000	3,000
TOTAL EXPENDITURE	33,011	19,797	-	52,808	112,320

In 2014 £21,688 was expenditure from restricted funds and £90,632 was expenditure on unrestricted funds. Auditors' remuneration relates to the fees payable for the audit of the Charity's Annual Report and Financial Statements.

All support costs incurred by the Charity in the period has been allocated to the Masjid Alhikmah and Community Centre restricted fund as all of the Charity's time in the period was spent on this project. These costs are presented in the costs of generating funds heading above.

Donated services relates to services that have been donated to the Charity. This includes marketing, website design, printed material and property consultancy services.

4 Trustees' Remuneration

Trustees are not remunerated and are not entitled to claiming expenses. Neither the Trustees, not any persons connected with them, have received any remuneration or have claimed expenses in the current year or previous period.

5. Staff Costs and Emoluments

The Charity had no staff employed in the period.

Notes to the Financial Statements

Year ended 31 December 2015

6. Fixed Assets

Freehold Land and Buildings 2015		
		£
Valuation/Cost		
At 1 January 2015	863,525	
Additions	987,152	
At 31 December 2015	1,850,677	
Accumulated depreciation		
At 1 January 2015	-	
Charge for the year	-	
At 31 December 2015	-	
Net book value		
AS AT 31 DECEMBER 2015	1,850,677	

Freehold Land and Buildings 2014		
		£
Valuation/Cost		
At 28 August 2013	-	
Donated	725,000	
Additions	138,525	
At 31 December 2014	863,525	
Accumulated depreciation		
At 28 August 2013	-	
Charge for the year	-	
At 31 December 2014	-	
Net book value		
AS AT 31 DECEMBER 2014	863,525	

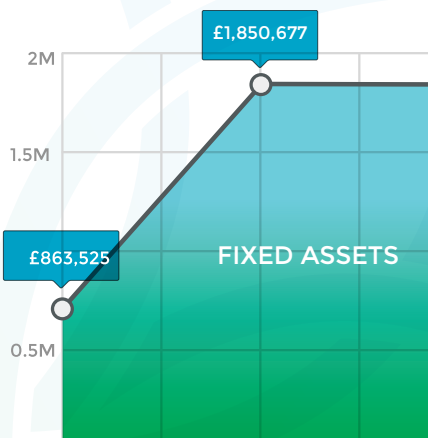
7. Current Assets

In 2014 all debtors related to restricted funds.

2014 Cash and bank balances were as follows: unrestricted funds £613 restricted funds £506,750.

8. Current Liabilities

All creditors in 2014 related to restricted funds.



Notes to the Financial Statements

Year ended 31 December 2015

9. Summary of Funds

	Unrestricted Funds	Restricted Funds Masjid Alhikmah and Community Centre Project	Restricted Funds Zakat	Waqf Funds	Total 2015	Total 2014
	£	£	£	£	£	£
Balance as at 1 January	613	486,794	240	863,525	1,351,172	-
Total income	34,873	483,650	845	-	519,368	1,463,492
Total expenditure	(33,011)	(18,887)	(910)	-	(52,808)	(112,320)
Transfer to Waqf	-	(987,152)	-	987,152	-	-
BALANCE AS AT 31 DECEMBER	2,475	(35,595)	175	1,850,677	1,817,732	1,351,172

Funds are described in detail in the Note 1 Principal Accounting Policies.

10. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2015	Total 2014
	£	£	£	£	£
Fixed Assets	-	-	1,850,677	1,850,677	863,525
Current Assets	2,475	55,427	-	57,902	510,097
Current Liabilities	-	(90,847)	-	(90,847)	(22,450)
NET ASSETS AT 31 DECEMBER	2,475	(35,420)	1,850,677	1,817,732	1,351,172



MasjidAlhikmah
AND COMMUNITY CENTRE

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