



Masjid Alhikmah
AND COMMUNITY CENTRE

Alhikmah Foundation SCIO
ANNUAL REPORT 2014



"Help us build your Masjid"

www.masjidalhikmah.org.uk



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TRUSTEES' ANNUAL REPORT

In the name of Allah, the Most Beneficent, the Most Merciful

For the Period of Incorporation 16 months to 31 December 2014

The trustees have pleasure in presenting their report together with the financial statements and the independent auditors report for the period of incorporation to 31 December 2014.

Reference and 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 August 2013
Abbas Ariff	Vice Amir (Vice Chairman) 28 August 2013
Mamun Razzak	Secretary 28 August 2013
Aqeel Ajazi	28 August 2013
Eltijani Elias	28 August 2013
Iftikar Mian	28 August 2013
Mohamed Mashaal	28 August 2013
Naveed Qamar	25 October 2014
Yusuf Nasidi	28 August 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

Burness Paull Williamsons LLP,
1 Union Wynd, Aberdeen, AB10 1DQ

Bankers

HSBC PLC, 95-99 Union Street,
AB11 6BD

Charities Aid Foundation,
25 Kings Hill, Avenue,
West Malling, ME19 4TA



TRUSTEES' ANNUAL REPORT

STRUCTURE, GOVERNANCE & MANAGEMENT

Constitution

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

Organisational Structure

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.

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 our charity.

Risk Management

The trustees have assessed the risks the foundation 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.



OBJECTIVES

Charitable Purposes

The organisation 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;



Aberdeen is Scotland's 3rd largest city with around 217,000 people and a further 246,000 in the surrounding area - altogether nearly 9% of Scotland's population. It's seen as the educational centre of North East Scotland thanks to the presence of both the University of Aberdeen and Robert Gordon University. The city has also been called the 'oil capital of Europe' since the 1970s.

Currently, around 4,000 Muslims live in Aberdeen and the surrounding area. The majority of people are passing through the region, coming from a broad variety of destinations including the Middle East, Asia and Africa.

TRUSTEES' ANNUAL REPORT

VISION

A Masjid for the remembrance of Allah SWT, 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





Spring Dinner Mar 2014



Ladies & Kids fun day Aug 2014

By the grace of Allah the following activities have been successful....

ACHIEVEMENTS

Corporate

- Charity registered and constitution adopted on the 28 August 2013

Engagement and Communication



- Over 150 one to one and group engagement sessions
- Launch of the foundation website with over 20,000 unique visits
- Regular community e-bulletins
- Social media launch (Facebook, Twitter and LinkedIn) over 5,000 likes on Facebook
- Regular PR releases for project mile stone achievements
- A manned telephone line and punctual responses to telephone and email queries

Team

- Roles and responsibilities defined for the trustees
- Over 50 ambassadors assisting the foundation with 2 or 3 attending weekly project meetings
- New trustee Naveed Qamar appointed
- Weekly project meetings (with excellent attendance), telephone meetings, Quarterly Board Meetings and Annual General Meetings
- Carrying out a quarterly analysis of what has worked well and what needs improving

Fundraising

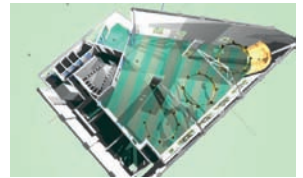
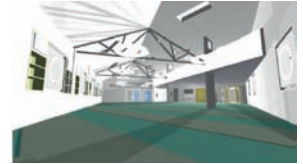
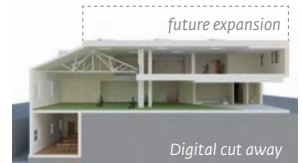
Developed and implemented an effective fundraising strategy

- Received over **£650,000** in cash donations
- Over **£58,000** in gift aid claimed from HMRC
- **26 donation boxes** in circulation with other methods to donate (online and bank transfer)

TRUSTEES' ANNUAL REPORT

Property

- July 2014 Property donation and legal transfer completed
- July 2014 Design team formally appointed
- August 2014 Stage 1 building warrant approved
- September 2014 Amended planning permission granted
- October 2014 Phase 1 building tender issued to 7 contractors
- November 2014 Building tenders received and analysed by quantity surveyors





Football tournament



Eid in the Garden



Eid in the garden Jul 2014

ACTIVITIES

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

Fundraising



donate



champion



dua

- Two fundraising dinners with over 500 people in attendance (at each dinner) and over £450,000 in donations and pledges received
- Community active in individual and collective fundraising initiatives
- Ladies & kids fun day with over 370 in attendance, 20 stalls and approximately £5,000 raised
- 15 brothers climbed and conquered Ben Nevis and raised over £15,000

Outreach

- Eid in the garden event
- Community iftar during Ramadan
- Sports tournaments to engage the youth
- Community engagement meetings
- Aberdeen City Council Civic Forum presentation

PLANS FOR THE FUTURE

Alhamdulillah the start of the construction for Phase 1 (External Shell) in January 2015 heralded an important milestone in the development of the masjid and community centre.

A key priority for the coming year would be continue to make progress of the construction of the masjid and community centre. 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.

TRUSTEES' ANNUAL REPORT

"Whoever builds a Masjid for Allah, Allah will build for him likewise in Paradise"

Bukhari & Muslim

FINANCIAL REVIEW

Alhamdulillah the charity received £1.5 million of income in the period. This is made up of two parts;

- Donated freehold land and building at 41 Nelson Street, valued at £725,000 on date of receipt of this gift
- Income from donations and fundraising events, amounting to £738,492 in the period

The biggest contributor to the charity's income from donations is the two fundraising dinners held, with over 500 people in attendance (at each dinner), which generated over £450,000 in donations and pledges.

After deducting resources expended, the charity had a net income of £1.4 million.

The charity has a strong financial position with net assets of £1.4 million at 31 December 2014. This is mainly made up of the following;

- Freehold land and building, £863,525
- Cash in bank, £507,363

The trustees are grateful for the support and donations received which contributed to an excellent financial start for the charity.

RESERVES POLICY

At 31 December 2014, 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.

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:

- 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.

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 28 May 2015 and signed on their behalf by:

Sarfraz Ali
Amir (Chairperson)

- select suitable accounting policies and then apply them consistently;



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Alhikmah Foundation SCIO

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ALHIKMAH FOUNDATION SCIO

We have audited the financial statements of Alhikmah Foundation SCIO for the period ended 31 December 2014 which comprise the 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).

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 the 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 and 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 the Financials 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 2014, and of its incoming resources and application of resources, for the period 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 Trustees 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) require 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 our audit.

Hall Morrice LLP Statutory Auditors Aberdeen
2 June 2015

FINANCIAL STATEMENTS

Statement of Financial Activities For the 16 months ended 31 December 2014

Continuing Activities	Note	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2014
		£	£	£	£
Incoming Resources					
Voluntary Income	2	62,165	647,247	725,000	1,434,412
Activities for Generating Funds	2	29,080	-	-	29,080
Total Incoming Resources		91,245	647,247	725,000	1,463,492
Resources Expended					
Cost of Generating Voluntary Income	3	(62,165)	(21,688)	-	(83,853)
Fundraising Costs	3	(25,467)	-	-	(25,467)
Governance Costs	3	(3,000)	-	-	(3,000)
Total Resources Expended		(90,632)	(21,688)	-	(112,320)
Net Income before Transfers		613	625,559	725,000	1,351,172
Gross Transfers between Funds	9	-	(138,525)	138,525	-
Net Movement in Funds		613	487,034	863,525	1,351,172
Funds as at 28 August 2013		-	-	-	-
Funds as at 31 December 2014		613	487,034	863,525	1,351,172

Balance Sheet
As at 31 December 2014

	Note	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2014
		£	£	£	£
Fixed Assets					
Freehold Land and Building	6	-	-	863,525	863,525
Current Assets					
Debtors	7	-	2,734	-	2,734
Cash at Bank & In-Hand		613	506,750	-	507,363
Current Liabilities					
Creditors: Amounts Falling Due within One Year	8	-	(22,450)	-	(22,450)
Net Current Assets		613	487,034	-	487,647
Net Assets		613	487,034	863,525	1,351,172
The Funds of the Charity	9	613	487,034	863,525	1,351,172

Approved by the Board of Trustees on 28 May 2015 and signed on behalf by:

Sarfraz Ali
Amir (Chairperson)

FINANCIAL STATEMENTS

Cash Flow Statement

For the 16 months ending 31 December 2014

	£
Net Movement in Funds	1,351,172
Donated Freehold Land and Building	(725,000)
Net Movements in Funds excluding Waqf	626,172
Reconciliation to Cash Generated from Operations	
Increase in Debtors	(1,327)
Increase in Prepayments	(1,407)
Increase in Accruals	3,000
	626,438
Waqf (Permanent Endowments)	
Increase in Waqf (Permanent Endowments)	(119,075)
Net Increase in Cash	507,363
Cash at Bank & In-Hand at 28 August 2013	-
Cash at Bank & In-Hand at 31 December 2014	507,363

Notes to the Financial Statements For the 16 months ending 31 December 2014

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 and in accordance with applicable United Kingdom Accounting Standards, the Revised Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

(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) 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.

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(e) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy and there is certainty of receipt.

Voluntary income: Comprises all incoming resources from donations.

Activities for generating funds: Comprise income generated from fundraising efforts such as entrance fees to the charity's fundraising dinners and events.

(f) 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.

(g) Gifts in kind

Gifts in kind for use by the charity are included in the accounts at their approximate market value at the date of receipt. Gifts in kind for distribution are included in the accounts at their approximate market value at the date of distribution.

(h) Recognition of liabilities

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

(i) Resources expended

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 generating voluntary income are costs incurred in attracting voluntary income, and those as stated under the various headings.

Governance costs: 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.

(j) 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.

(k) 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.

(l) 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.

Notes to the Financial Statements
For the 16 months ending 31 December 2014

2. Incoming Resources

	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2014
	£	£	£	£
<i>Voluntary Income</i>				
Donated Monies	-	557,306	-	557,306
Donated Freehold Land and Building	-	-	725,000	725,000
Gift Aid	-	58,885	-	58,885
Auctions	-	25,875	-	25,875
Gifts in Kind	-	3,931	-	3,931
Zakat Collected	-	1,250	-	1,250
Donated Services	62,165	-	-	62,165
<i>Activities for Generating Funds</i>				
Dinner and Events	29,080	-	-	29,080
Total Incoming Resources	91,245	647,247	725,000	1,463,492

FINANCIAL STATEMENTS

Notes to the Financial Statements For the 16 months ending 31 December 2014

3. Resources Expended

	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2014
	£	£	£	£
<i>Costs of Generating Voluntary Income</i>				
Cost of Generating Funds	-	13,947	-	13,947
Auctions Costs	-	6,731	-	6,731
Zakat Distributed	-	1,010	-	1,010
Donated Services Utilised	62,165	-	-	62,165
<i>Fundraising Costs</i>				
Dinner and Events	25,467	-	-	25,467
<i>Governance Costs</i>				
Auditors' Remuneration	3,000	-	-	3,000
Total Resources Expended	90,632	21,688	-	112,320

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 period.

5. Staff Costs and Emoluments

The Charity had no staff employed in the period.

Notes to the Financial Statements
For the 16 months ending 31 December 2014

6. Tangible Assets

	Freehold Land and Building
	£
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	
At 31 December 2014	863,525

Freehold land and building relates to 41 Nelson Street which is currently under construction, therefore no depreciation is charged until the property is available for use.

7. Debtors

	£
Trade debtors	1,327
Prepayments	1,407
Total	2,734

8. Creditors

	£
Accruals	22,450
Total	22,450

FINANCIAL STATEMENTS

Notes to the Financial Statements For the 16 months ending 31 December 2014

9. Summary of Funds

	Unrestricted Funds	Restricted Funds Masjid Alhikmah & Community Centre Project	Restricted Funds Zakat	Waqf Funds	Total 2014
	£	£	£	£	£
Balance as at 28 August 2013					
Total incoming resources	91,245	645,997	1,250	725,000	1,463,492
Total resources expended	(90,632)	(20,678)	(1,010)	-	(112,320)
Transfer to Waqf	-	(138,525)	-	138,525	-
Balance as at 31 December 2014	613	486,794	240	863,525	1,351,172

Waqf Funds

On 11 July 2014, equivalent to 14 Ramadhan 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.

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.

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.

Notes to the Financial Statements
For the 16 months ending 31 December 2014

10. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2014
	£	£	£	£
Fixed Assets	-	-	863,525	863,525
Current Assets	613	509,484	-	510,097
Current Liabilities	-	(22,450)	-	(22,450)
Net Assets at 31 December 2014	613	487,034	863,525	1,351,172



Masjid Alhikmah
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