

Alhikmah Foundation SCIO (SC044230)

Annual Report

12 months ended 31 December 2025

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Trustees' Annual Report
For the 12 months ended 31 December 2025

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

Dear Honorable and Respected Readers,

The trustees have pleasure in presenting their report together with the financial statements and the independent examiner's report for the 12 months ended 31 December 2025.

Throughout 2025, the Charity remained committed to serving the Muslim community in Aberdeen and the wider community through its religious, educational, charitable and community activities. The Masjid continued to facilitate the five daily prayers, Jumu'ah prayers, Taraweeh during Ramadan, Iftar and Eid prayers, alongside Quran recitation and Hifz classes, regular halaqas and other educational programmes. The Charity also continued to provide important community services, including marriage and funeral support.

Alongside its core religious and educational activities, the Charity continued to promote the well-being of the community through initiatives supporting physical and mental health. The Masjid welcomed visiting scholars and Tabligh groups and continued to provide opportunities for learning, spiritual development and community engagement. The Charity also supported fundraising initiatives for humanitarian causes, enabling members of the community to contribute towards those in need both locally and internationally.

During the year, the Charity remained focused on improving its services and facilities for brothers, sisters, children and families. Community and mosque open days continued to provide opportunities to strengthen relationships and promote greater understanding between the Muslim community and wider society. Local schools were also welcomed to the Masjid, giving pupils and teachers the opportunity to learn more about Islam and experience the mosque environment firsthand.

The Charity continued its charitable support through the distribution of Qurbani and food packs, both locally and overseas. Recognising the continued financial pressures faced by many households, support was also provided through food distribution and other community initiatives aimed at assisting those experiencing financial hardship.

Education remained an important area of focus throughout the year. Through the work of our Imam, teachers and visiting scholars, the Charity continued to provide Islamic education and opportunities for people of different ages to strengthen their knowledge and understanding of Islam.

The Trustees remain committed to developing the Charity in a responsible and sustainable manner, while ensuring that its activities continue to meet the religious, educational and social needs of the community.

In November, Naveed Qamar stepped down as a Trustee and the Chairman, the Board and the Charity is grateful for all his hard work and dedication to serve the purpose of the Charity and serving the Muslim community tirelessly. May Allah reward him abundantly.

Finally, the Trustees would like to express their sincere gratitude to everyone who supported the Masjid throughout 2025. Whether through donations, volunteering, participation, advice or duas, your continued support plays an essential role in sustaining and developing the work of the Charity.

May Allah (SWT) reward everyone who has contributed, accept our collective efforts and enable the Charity to continue serving the community for many years to come. Ameen.

Objectives

Charitable Purposes

The Charity is established for charitable purposes only, and in particular, the objectives 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;
- 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 objective 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 fulfil our duties.
- Shura at the core of our decision-making process.

Achievements in 2025 (Alhamdulillah)

- Growth in the number of students enrolled at Alhikmah Academy from 2024
- Continuation of Tahfeez Quran class for Boys.
- Two food drives for the wider Aberdeen community to help with the cost-of-living crisis.
- Emergency Appeals for relief work in various countries with the help of our charity partners.

Engagement and communication

- The community were continuously updated via mobile applications and online engagement on masjid activities, events and announcements.
- Community announcements were made at Friday prayers and urgent announcements after daily prayers when required.
- Notice boards kept up to date at Men's and Women's areas highlighting any Masjid and Community Centre news items.
- Regular announcements, for the wider community, were made via the charity website and social media pages. The charity also engages with the community via signed up WhatsApp services to provide news and events information at the masjid.

Activities

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

Religious, Educational and Extracurricular Services

- 5 prayers held every day.
- Jumu'ah (Religious Sermons) conducted every Friday and broadcasted online on YouTube.
- Continuation of Alhikmah Academy 5-day classes for both girls and boys.
- Quizzes and Debate competitions for adults and children.
- Eid ul Fitr and Eid ul Adha prayers held for the community to celebrate the religious festivals.
- 20 Nikah and civil marriage arranged and held at the Masjid.
- Youth Ietikaf Night and other various indoor & outdoor activities.
- Fajr Challenge for boys and girls.
- 14 New Muslims welcomed into Ummah
- Fitness Classes
- Winter Camp for Girls
- Weekly Youth club
- Outdoor adventure trips for boys and girls
- Modest swimming sessions for sisters
- 18 Janazah services
- 42 Prison services
- 36 Hospital visits
- 1,300 Islamic advice or family counselling sessions
- Regular Quran Halaqa sessions

Fundraising

- CAF, Givebrite and mytendays campaigns via social media for running costs leading the 2025 fundraising.
- Zakat, Zakat-ul-Fitr and Emergency Appeal collection and distribution via charity partners.
- Ramadan operational costs fundraising campaign in the Masjid.

Dawah and Outreach

- Qurbani and Food packs to all communities in Aberdeen.
- Iftar and Suhoor for approximately 7,000 Brothers and Sisters from the Masjid during Ramadan.
- Distribution of material explaining Islam, including translation of the Quran, to the wider community.
- Open day for the wider Aberdeen community.
- Schools' visits at the Masjid.

Extended Community Service

- Nelson street litter picking clean-up operations led by the Masjid.

Financial Review

Alhamdulillah the Charity received in circa £500k of gross income in the year.

The biggest contributors to the Charity's income were;

- Single one-off donations including cash and contactless, of which £221k were received.
- Urban Fields Project Rental income of £40k
- Gift Aid income on donations amounted to circa £22k for the year.
- Circa £217k donations were received for third party charities through Masjid Alhikmah, including Zakaat, Zakaat Al Fitr, Qurbani and Emergency Appeal donations.

After deducting expenditure of £437k, the Charity had a net income of £63k.

At the end of the year, the Charity had a strong financial position with net assets of £2.88million. This is mainly made up of the following;

- Freehold Land and Building, £2,331,367
- Fixtures and Fittings and Plant and Equipment, £44,705
- Debtors, £46,180
- Cash at Bank & In-Hand, £472,361
- Creditors, £9,422

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

Reserves Policy

At 31 December 2025, the charity held 4 separate donation funds being:

1. 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.

2. Restricted Funds – Project Dependent

The usage of these funds is restricted towards the particular project it was raised for, such as costs of bringing Masjid Alhikmah and Community Centre into use, operational expenditure, education and youth activities.

The funds related to the completion of the Masjid and Community Centre are transferred to the Waqf (permanent endowments) in line with the capitalisation of the development costs of the project.

3. Restricted Funds Third Party – Zakat, Zakaat Al-Fitr, Qurbani and Emergency Appeals and Other

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 via our Zakat charity partner. The charity also collected Zakaat Al-Fitr, Qurbani and Emergency Appeal and other donations and income, facilitating the transfers on behalf of donors.

4. Unrestricted funds

These are donations received with no specification of its use by donors. Gift Aid is included in the unrestricted funds category. Unrestricted funds are available for use at the discretion of the trustees for any of the charity's needs.

Plans for the future

We will carry on providing religious educational, prayer and social services to the community. We plan to continue holding marketed open days throughout the year to allow the wider community to experience the facilities and expand our charitable causes to further impact the community positively. We are also planning:

- Expansion of our current facilities to cater for the growing Muslim population of Aberdeen and the needs of Alhikmah Academy.
- Purchase of Nelson Street football fields from Aberdeen city council.
- Construction and Installation of Mihrab in the men's prayer area.

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. The charity revised its constitution in 2022, the changes entailed:

- Trusteeship allowance of three three year terms changed to only two three year terms for non-founding trustees, a mandatory break is required before re-election as a Trustee.
- New Clause added to allow in extraordinary circumstances, such as in order to maintain quorum, the Board may agree continuation of a Trustee's tenure for a single one year period beyond the above threshold, of two three year terms, in order for a competent replacement to be found. Any trustee in such position will, by default, cease being a trustee either when a quorum is established or when the one year extended term is complete, dependent on which comes first.

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 financial benefits.

The trustees meet on a regular basis, and are responsible for all decisions taken in relation to running of the charity and the activities provided by the charity. The charity also has ambassadors/volunteers, to help with the day to day activities and services.

The trustees also have Quarterly Board Meetings and an 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.

Staying true to the values of the charity, the trustees regularly consult its two sub-committees, the Fiqh Committee and the Shura Committee on relevant matters in order to arrive at the right decision.

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 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. Usually after completion of six months shadowing, trustees are voted in.

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 occurring and the measures taken to mitigate 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; **Principal Office** - 41 Nelson Street, Aberdeen, AB24 5ER

Charity Number - SC044230

Board of Trustees as at 31 Dec 2025

Name	Additional Office position	Elected/Relected	Retired/Left Office
Salman Jafri	Chairman/Treasurer	Jan-24	
Muhammad Shafiq Abdullah		Aug-20	
Mohammad Mashaal	General Secretary	Sep-23	
Amna Salman		Jul-24	
Khaled Mabrouk		Jul-24	Aug-25
Waqas Zia		Jul-24	
Naveed Qamar		Mar-22	Nov-25
Aqeel Ajazi		Aug-25	
Sarfaraz Ali		Aug-25	
Iftikhar Mian		Aug-25	

Accountants

Aberdeen Accountants Limited, Chartered Accountants and Business Advisors, 3 Scotsmill Gardens, Blackburn, Aberdeen, AB21 0GA.

Solicitors

Shepherd & Wedderburn, 2 Rubislaw Terrace, Aberdeen, AB10 1XE

Bankers

HSBC PLC

Charities Aid Foundation

The Co-operative Bank

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.

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.

Examiners

Aberdeen Accountants Limited, Chartered Accountants and Business Advisors, 3 Scotsmill Gardens, Blackburn, Aberdeen, AB21 0GA.

Approved by the trustees on 30th September 2026 and signed on their behalf by:



Salman Jafri
Amir (Chairman)
As at 30th September 2026

Independent Examiner's Report to the Trustees of Alhikmah Foundation SCIO

I report on the accounts of the Charity for the year ended 31 December 2025 which are set out in pages 11 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Sabaah Arshed

Sabaah Arshed MA CA
On behalf of Aberdeen Accountants Limited
Chartered Accountants
Aberdeen
30th September 2026

Statement of Financial Activities
For the 12 months ended 31 December 2025

Continuing Activities	Note	Unrestricted Funds £	Restricted Funds £	Waqf Funds £	Total 2025 £	Total 2024 £
Incoming Resources						
Donations		296,565	203,428	0	499,993	499,514
Grants		0	0		0	0
Other trading activities		0	0	0	0	0
Total income	2	296,565	203,428	0	499,993	499,514
Resources Expended						
Cost of Charitable Activities		(81,251)	(201,531)	(48,083)	(330,865)	(309,127)
Fundraising Costs		(3,750)	0	0	(3,750)	(5,441)
Governance Costs		0	(1,920)	0	(1,920)	(1,920)
Grant Related Expenditure		0	0	0	0	0
Other Resources Expended		0	(100,577)	0	(100,577)	(135,961)
Total Resources Expended	3	(85,001)	(304,028)	(48,083)	(437,112)	(452,449)
Net Income before transfers		211,564	(100,600)	(48,083)	62,881	47,065
Gross transfer between funds	8	0	0	0	0	0
Net Movement in Funds		211,564	(100,600)	(48,083)	62,881	47,065
Funds as at 31 December 2024		257,002	141,153	2,424,155	2,822,310	2,775,245
Funds as at 31 December 2025	12	468,566	40,553	2,376,072	2,885,191	2,822,310

Balance Sheet
As at 31 December 2025

	Note	Unrestricted Funds £	Restricted Funds £	Waqf Funds £	Total 2025 £	Total 2024 £
Fixed Assets						
Freehold Land	9			725,000	725,000	725,000
Freehold Building	9			1,885,028	1,885,028	1,885,028
Furniture and Fixtures	9			22,114	22,114	22,114
Plant and Equipment	9			89,423	89,423	89,423
Accumulated Depreciation	9			(345,493)	(345,493)	(297,410)
Current Assets						
Debtors	10	9,664	36,516		46,180	47,330
Cash at Bank & In-Hand		459,062	13,299		472,361	358,945
Prepayment					0	0
Current Liabilities						
Creditors: Amounts Falling Due within One Year	11	(160)	(9,262)		(9,422)	(8,120)
Net Current Assets		468,566	40,553	0	509,119	398,155
Net Assets		468,566	40,553	2,376,072	2,885,191	2,822,310
The Funds of the Charity	12	468,566	40,553	2,376,072	2,885,191	2,822,310

Approved by the Board of Trustees on 30th September 2026 and signed on behalf by:



Salman Jafri

Amir (Chairman)

As at 30th September 2026

Statement of Cash Flows
For the 12 months ending 31 December 2025

	2025	2024
	£	£
Net Movements in Funds	62,881	47,065
Donated Freehold Land and Building		
Add Back Depreciation (<i>prev included in Waqf Increase</i>)	48,083	50,083
Net Movements in Funds excluding Waqf	110,964	97,148
 Net cash used in operating activities		
Decrease / (Increase) in Debtors	1,150	417
Decrease in Prepayments		
(Decrease) / Increase in Accruals	1,302	(2,152)
	113,416	95,413
 Waqf (Permanent Endowments)		
Increase in Waqf (Permanent Endowments)	0.00	0.00
Change in cash and cash equivalents in the year	113,416	95,413
 Cash and cash equivalents brought forward	358,945	263,532
Cash and cash equivalents carried forward	472,361	358,945

Notes to the Financial Statements
For the 12 months ending 31 December 2025

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 (Charities SORP (FRS102) second edition – October 2019) 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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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, have taken into consideration 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 and requirements.

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. Capital funds are transferred to the Waqf (permanent endowments) in line with the capitalisation of the development costs of the project.
2. Operations restricted donations, including Running Costs, Education, Library Funds, Social Specific and Funeral Services.
3. Grants and Furlough income received due to Covid-19 Pandemic.
4. Third Party Donation and Other facilitations where Alhikmah Foundation SCIO cannot provide the service to the donor and therefore facilitates that requirement with a partner charity. Services such as Qurbani, Zakaat and Emergency Funds for disasters fall under this category.

Notes to the Financial Statements
For the 12 months ending 31 December 2025

1 Principal accounting policies (continued)

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 fulfil the endower's wishes, to protect the Waqf and to ensure its sustainability.

(e) 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 including Gift Aid claims from those 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) 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 generating funds are costs incurred in attracting donation income, and those as stated under the various headings.

Charitable activities: The costs which relate to the general running of the Charity. This includes such items as staff costs, general day to day running costs, 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) Irrecoverable VAT

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

Notes to the Financial Statements
For the 12 months ending 31 December 2025

1 Principal accounting policies (continued)

(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. Any capitalized assets that have further value added to them will suffer depreciation from the capitalized date of the asset. 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.

(n) Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

(o) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

Notes to the Financial Statements
For the 12 months ending 31 December 2025

2. Income and endowments

	Note	Unrestricted Funds £	Restricted Funds £	Waqf Funds	2025 Total £	2024 Total £
Income						
Donated Monies Unrestricted		153,057			153,057	135,568
Donated Monies Operations			49,729		49,729	121,914
Donated Monies for Capital Spend			18,178		18,178	21,669
Gift aid		22,065			22,065	30,898
Sadaqah		121,443			121,443	5,081
Zakah			43,572		43,572	46,511
External Charity Collections			51,949		51,949	97,996
Urban Fields Project			40,000		40,000	40,000
Other						(123)
Total incoming resources		296,565	203,428	0	499,993	499,514

3. Expenditure

	Note	Unrestricted Funds £	Restricted Funds £	Waqf Funds	2025 Total £	2024 Total £
Cost of generating funds		3,750			3,750	5,441
Cost of charitable activities	4	81,251	201,531		282,782	259,044
Zakah			49,340		49,340	44,306
External Charity Projects			51,237		51,237	91,655
Depreciation				48,083	48,083	50,083
Governance costs			1,920		1,920	1,920
Urban Fields Project					0	0
Total resources expended		85,001	304,028	48,083	437,112	452,449

Notes to the Financial Statements
For the 12 months ending 31 December 2025

4. Notes on Accounts

Restricted "Cost of Charitable Activities" categorised for the expected expenditure of running a Masjid, including Salaries, Office Supplies, Maintenance, Utilities & Waste and community events.

5. Trustees' Remuneration

Trustees are not remunerated and are not entitled to claiming expenses. Neither the Trustees, nor any persons connected with them, have received any remuneration or have claimed expenses for services carried out on behalf of the charity in the current year or previous period. Trustees can be reimbursed for expenditure incurred on behalf of the charity, such as stationery etc, as long as receipts are provided.

6. Staff

The Charity had three staff members employed at the end of 2025.

	2025 Total £	2024 Total £
Wages and salaries	62,741	59,914
Social security costs	216	413
Employer's contribution to defined contribution pension schemes	1,321	1,283
	64,278	61,610

7. Independent Examiners Remuneration

The Independent Examiner's Remuneration for the examination was £500. This is included as part of the monthly package charged to Alhikmah Foundation by Aberdeen Accountants Limited.

8. Transfer Between Funds

£0 of restricted expenditure was transferred to the Waqf Funds as part of the capital expenditure on 41 Nelson Street site.

Notes to the Financial Statements
For the 12 months ending 31 December 2025

9. Tangible assets

	Freehold Land and Buildings	Fixtures and Fittings	Plant and Equipment	Total
	2025	2025	2025	2025
	£	£	£	£
Valuation/Cost				
At 31 December 2024	2,610,028	22,114	89,423	2,721,565
Additions		0		0
Transfers		0	0	0
At 31 December 2025	2,610,028	22,114	89,423	2,721,565
Accumulated depreciation				
At 31 December 2024	(240,960)	(14,672)	(41,778)	(297,410)
Charge for the year	(37,701)	(2,211)	(8,171)	(48,083)
At 31 December 2025	(278,661)	(16,883)	(49,949)	(345,493)
Net book value				
At 31 December 2025	2,331,367	5,231	39,474	2,376,072

	Freehold Land and Buildings	Fixtures and Fittings	Plant and Equipment	Total
	2024	2024	2024	2024
	£	£	£	£
Valuation/Cost				
At 31 December 2023	2,610,028	22,114	89,423	2,721,565
Additions	0	0	0	0
Transfers	0	0	0	0
At 31 December 2024	2,610,028	22,114	89,423	2,721,565
Accumulated depreciation				
At 31 December 2023	(203,259)	(12,461)	(31,607)	(247,327)
Charge for the year	(37,701)	(2,211)	(10,171)	(50,083)
At 31 December 2024	(240,960)	(14,672)	(41,778)	(297,410)
Net book value				
At 31 December 2024	2,369,068	7,442	47,645	2,424,155

Notes to the Financial Statements
For the 12 months ending 31 December 2025

10. Current Assets

Debtors are categorised as restricted and unrestricted, as per the nature of the debt.

Debtors	2025 Total £	2024 Total £
Trade debtors	9,664	10,814
Other debtors	36,516	36,516
	46,180	47,330

11. Current Liabilities

Creditors are categorised as restricted and unrestricted, as per the nature of the liability.

Creditors	2025 Total £	2024 Total £
Trade creditors	9,262	7,678
Other creditors	160	442
Tax & social security	0	0
	9,422	8,120

Notes to the Financial Statements
For the 12 months ending 31 December 2025

12. Summary of Funds

	Unrestricted Funds	Restricted Funds Masjid Alhikmah Project	Restricted Funds External Charities	Waqf Funds	2025 Total
	£	£	£	£	£
Balance as at 1st January 2025	257,002	130,746	10,407	2,424,155	2,822,310
Total incoming resources	296,565	107,907	95,521	0	499,993
Total resources expended	(85,001)	(203,451)	(100,577)	(48,083)	(437,112)
Transfer to Waqf	0	0		0	0
Balance as at 31 December 2025	468,566	35,202	5,351	2,376,072	2,885,191

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

	Unrestricted Funds	Restricted Funds Masjid Alhikmah Project	Restricted Funds External Charities	Waqf Funds	2024 Total
	£	£	£	£	£
Balance as at 1st January 2024	176,400	122,746	1,861	2,474,238	2,775,245
Total incoming resources	171,547	183,460	144,507	0	499,514
Total resources expended	(90,945)	(175,460)	(135,961)	(50,083)	(452,449)
Transfer to Waqf	0	0		0	0
Balance as at 31 December 2024	257,002	130,746	10,407	2,424,155	2,822,310

Notes to the Financial Statements
For the 12 months ending 31 December 2025

13. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2025
	£	£	£	£
Fixed Assets	0	0	2,376,072	2,376,072
Current Assets	468,726	49,815	0	518,541
Current Liabilities	(160)	(9,262)	0	(9,422)
Net Assets at 31 December 2025	468,566	40,553	2,376,072	2,885,191

	Unrestricted Funds	Restricted Funds	Waqf Funds	Total 2024
	£	£	£	£
Fixed Assets	0	0	2,424,155	2,424,155
Current Assets	257,002	149,273	0	406,275
Current Liabilities	0	(8,120)	0	(8,120)
Net Assets at 31 December 2024	257,002	141,153	2,424,155	2,822,310

14. Related party transactions

There were no related party transactions during the current or previous year.