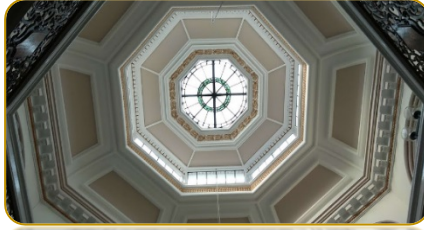




**MADNI TRUST**



# ANNUAL REPORT

**For The Year Ended 31 August 2021**

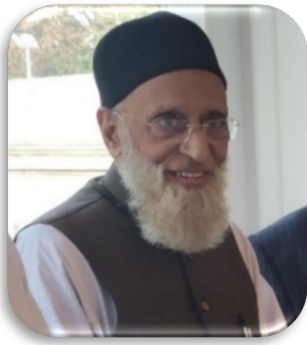
**REGISTERED CHARITY NUMBER: 1022471**

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## Highlights of 2020-2021



I am pleased to present to you Madni Trust's Annual Report for 2020-2021. I hope that you will find this report useful and it gives you a good understanding of the nature of charitable work that Madni Trust performs.

The last few years have been challenging for Madni Trust and for Jamia Al-Hudaa. I am pleased to see the progress of renovation work and upgrades at Jamia Al-Hudaa. I hope these will help create a better environment to provide quality education.

I am really grateful and pleased to see the advancement and community support in the Masjid Ibrahim and Aspley Masjid projects. The renovation work in these projects was a challenge and has taken immense effort and dedication, which can be seen in the form of substantial progress.

In May 2021, a social care Ofsted Inspection was conducted and I am pleased to share that we received "Good" rating. I would like to personally thank our members of the community, donors, volunteers, students and above all our dedicated staff who worked extremely hard over the years to assist us continue this challenging journey and achieve Madni Trust's desired objectives.

Over the years, we have witnessed significant growth and expansion in Madni Trust's operations. We are now working towards establishment of a separate entity for Jamia Al-Hudaa, which will help us provide improvised and quality education by deploying separate dedicated and professional team.

The presented report covers the period from 1 September 2020 to 31 August 2021.

**Dr A Zaman, Chairman**



We are pleased to receive "Good" rating for Jamia Al-Huda in Ofsted's social care report of May 2021. The inspection team acknowledged and praised the efforts done by the management and also showed its confidence in the management team.

I would like to specially thank our students and parents who believed in us and provided continuous support and trust through these challenging times. We are committed to our main objective of providing good quality education to our students and we work vigilantly to further improve our standards.

The global pandemic Covid-19 has created havoc in the entire world and all communities have been severely affected. Our Trust was not an exception and was also affected severely especially as we serve a broader community. This resulted in disruption to our charitable work, education and donor funding. We are working hard to overcome the challenges imposed by the pandemic, which is expected to take some time and effort.

As our other services were suspended due to the lock down, we took this as an opportunity and focused to utilise this time to renovate our Masajids, which can be witnessed by substantial progress in the Masajid work.

As the secretary, my role requires me to constantly encourage staff and make them feel appreciated at all times as they have made many sacrifices to help Madni Trust become successful.

It has been an honour to serve as a secretary for Madni Trust. I see this as a challenging role and will continue to serve the Trust with my full commitment and hope to see the Madni Trust succeed in its mission.

**Raza Ul Haq, Secretary**

## **Report of the Trustees**

Madni Trust was established in 1993 as a result of the low achievement levels in education within mainly the Muslim and BAME (Black, Asian Minority and Ethnic) Community. Its Board of Trustees is made up of several key members from local and national community organisations that represent and serve the community. The Trust has a strong team of dedicated volunteers and employees who are committed to provide the community with the skills, experience and knowledge that are essential for the community's betterment and improvement.

The Trust is governed by the Trust Deed, executed on 16th May 1993, which does not contain any restrictions that would affect the aims or day to day running of the Trust.

### ***Mission statement***

“To provide a positive framework for education, training and employment opportunities for those members of the community that it represents that may be disadvantaged due to cultural and religious reasons”

### ***Aims***

- To remove barriers to education.
- To provide and raise awareness of education and training in diverse areas of United Kingdom.
- To ensure that each student develops a good and humble character.
- Madni Trust's vision is that every individual needs to be educated without having any difficulties. This can only be achieved by providing facilities that a student will be comfortable in.
- Provide different educational programmes running throughout the year around the UK.
- To ensure that parents living on low income have the opportunity to provide their children with quality education.
- Ensure that graduating students make a positive impact whilst working in their communities.
- To engage the youth who are falling into various forms of anti-social behaviours due to lack of skills and opportunities and provide them relevant education and training facilities.
- All the work that Madni Trust has done and continues to do is only possible through working with and interacting with the local and national community on a regular basis.
- To establish centres where we can provide the facilities for the above aims to be fulfilled.

### ***Barriers***

Many people who have come to Madni Trust have lacked confidence to study at a traditional college or unemployed mainly because of language and cultural barriers. Major factors include:

- English, not being primary language for the majority of Asian Muslims;
- Lack of specialist training facilities;
- Lack of adequate skills and qualifications in the youth essential for jobs;
- There is a low representation of the ethnic minorities in the managerial positions and Asian women who are employed, there are no suitable childcare facilities for their children under-fives.

## **Report of the Trustees – Continued**

In order to alleviate some of the above problems, Madni Trust caters for all aspects of employment and education by including the following:

- Early learning provisions for children under 5's and bilingual staff.
- Single sex schooling to achieve in both national curriculum and faith education.
- Supplementary classes for school-aged children who study in mainstream schools.
- Establishing community facilities in various areas.
- Nursery / Crèche facilities for staff and the local community.

## **Our Achievements**

- Producing excellent graduates who work for the betterment of the community.
- Increased intake in the number of both day and boarder scholars.
- Liase closely with community organisations at local, regional and national level for the propagation of educational needs.
- Working closely with voluntary organisations with similar aims and objectives to find ways of reducing unemployment and increasing awareness and benefits of education & training.
- Organising various community events to promote community relations and cohesion.
- Establishing the Kettlebridge site (Al-Huda Academy) to provide the local community with a centre for community activities & other training and educational programmes for the local community.
- Establishing the centre in Aspley to provide the local community with a centre for community activities and other training and educational programmes for the local community.
- Achieving 'Good' for Jamia Al-Hudaa in the social care full inspection.
- Purchase, restoration & development of the former Methodist Church on Aspley Lane as daily activities continue for the local community.
- Multi-faith community cohesion events.

## **Jamia Al-Hudaa – Nottingham**

Jamia Al-Hudaa was established in 1996 with an objective to provide Islamic Science Syllabus along with the national curriculum to the girls of Asian Muslim Community. In order to ensure quality, as part of the enrolment process, all prospective students are required to pass an entrance examination.

### ***Aims***

- To provide quality education for 11- to 16-year-old girls and 16+ girls with residential facilities
- To maintain the number of students
- Offer a range of study programmes focusing on Islamic Sciences to complement the National Curriculum
- Liaise with relevant Universities, Educational bodies & other education providers to recognise the Madni Trust Aalimah course as being equivalent to a Degree in Islamic Studies

## Report of the Trustees – Continued

### *Recommencement of Education after Covid*

The operations of the Jamia Al-Hudaa were resumed after the first wave of Covid-19. However, major disruptions were observed in the forms of further lockdowns imposed by the Government due to further waves. In order to cover the syllabus, we had to reduce the scheduled vacations of the students.

### *Network Upgrades / E-safety*

During the year, we upgraded the existing IT and telecommunication infrastructure with new fibre optic connections. We also replaced computer systems for IT lab and other departments with the cloud enabled systems. We worked on data safety and security by installing latest software with added security updates. During this process, we also planned and improvised on upgrading the infrastructure for the CCTV system; whereby the new system is expected to be linked to the cloud network which will bring added security and safety which is a very crucial for all stake holders.



### *Other News*

In May 2021, we had a successful social care Ofsted Inspection in which we received “Good” rating. We would like to personally thank our staff, students and stakeholders who have worked extremely hard over the years to help us continue this great work.



## Report of the Trustees – Continued

### General Masajid Update

During the difficult times of the pandemic, our Masajids served great role in supporting the community and provided funeral and ancillary services for the deceased's families. Our Imams also stayed continually involved with the community and provided their support as needed. We also provided financial support to deserving community members. The community also displayed amazing support in arranging the funeral rites and burial in accordance to the will of the deceased.

We try to set examples to promote our faith and values in our community. For this purpose, during the Holy month of Ramadan, we initiated a food distribution drive, whereby the food was distributed amongst the neighbours of all our centres. This will help in bringing the community together and set an example of caring for our neighbours.



### Masjid Ibrahim - Work, Activities & Building Improvements

Due to substantial growth of the community and need for another centre for prayer and education, the Madni Trust acquired former Methodist church on Aspley Lane in 2019 with the support of the local and wider community. It was a significant financial commitment, but the community's demand and support provided confidence to the trustees that this will be a successful initiative.



## Report of the Trustees – Continued

The trust conducted substantial renovation and improvement activities, summary of which is stated below:

- Rearrangement of central heating pipes of the entire masjid;
- Restructuring of internal rooms to increase space in the ladies' hall;
- Rewiring of ladies' hall and installing lights, sockets etc.;
- Building a new room on the first floor with easy access through large staircase;
- Removal of the stage in main hall which was restricting the entrance; and
- Redesigning the entrance to make it more suitable as per the community requirements.

Trustees are pleased to explain further progress made during this financial year. An experienced carpenter was hired to design and install a new staircase along with the upstairs frame from where the main hall can be seen. Few other renovation activities were also conducted in the main hall to enhance the beauty of the Masjid.

The main entrance has been revamped in accordance with the community and masjid needs. This was made possible with the community's help and support.

Madni Trust is honoured to provide special facilities for ladies just as in our other centres. The work for the ladies ablution and bathroom area has been initiated.

The wudhu/ablution area is almost completed and is expected to be hope this will be very beneficial for the community.





## Report of the Trustees – Continued

### Aspley Islamic Centre



In recent years, the demand of the growing community meant that we must acquire a bigger site to accommodate the activities taking place in Aspley. Previously, a lot of progress had been made in terms of dedicated toilet & ablution facilities for all visitors/attendees of the centre. This financial year, there was a good progress with the heating installation with new boiler and water heater systems and piping.

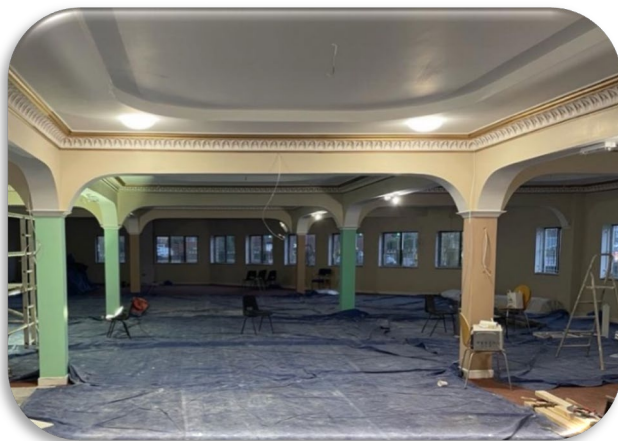
The coving of the main hall ceiling was completed with gold paint which required expert and intricate work. During this

work, the walls were also given a fresh coat of paint to compliment the new coving. The door level was raised for the proposed new floor level. This will allow installation of insulation and concealment of heating pipes. This work is expected to play an effective role in energy and cost efficiency in the long run and has added aesthetic value and improved the environment of the main hall.

During the year, further work was carried out in the ladies' ablution & bathroom areas. The new tiles have added a quality finish to these facilities which is an essential part of the centre.



The two ongoing projects have major financial implications but we are confident that with the community help and support, these projects will be sustainable and beneficial for the local and wider community.



## Report of the Trustees – Continued

### Plans for the Future

- Continuous provision of services in all Trust centres in accordance with the community needs and expansion, especially after covid-19;
- Arrangement of programmes and events focusing on important community issues e.g., drugs, gangs, knife crime etc.;
- Diversification of classroom-based courses available at Madni Trust/Jamia Al-Hudaa;
- Establishment of Jamia Al-Hudaa as a separate entity to improvise focus of educational services at the Jamia;
- Provision of educational and training courses across various communities locally and nationally where possible;
- Widening participation of the local and other community groups in promoting the Trust's aims and objectives;
- Provision of Funeral services along with the funeral car and refrigerator for storage of body, all at cost level;
- Repayment of loans obtained for purchase of premises;
- Timely completion of all building and renovation projects to provide an excellent place to learn, research and liaison with the local community; and
- Collaboration with external authorities to allow Madni Trust to pursue various training and educational programmes.

### Financial review

	2021 £	2020 £	Change £
<b><u>Income</u></b>			
Donations & legacies	283,295	156,144	127,151
Charitable activities	596,139	490,537	105,602
Investments	126,038	105,790	20,248
Other income	157,215	106,382	50,833
<b>Total Income</b>	<b>1,162,687</b>	<b>858,853</b>	<b>303,834</b>
<b>Total Expenditure</b>	<b>939,698</b>	<b>818,937</b>	<b>120,761</b>
<b>Surplus</b>	<b>222,989</b>	<b>39,916</b>	<b>183,073</b>
<b>Total Funds</b>	<b>5,427,829</b>	<b>5,204,840</b>	<b>222,989</b>

The operations of the charity were resumed after the first wave of Covid-19. However, major disruptions were observed in the forms of further lockdowns imposed by the Government due to further waves. Despite these disruptions faced by the charity during the year, the charity has managed to increase its total income by £303,834 and also successfully managed to carry out its operations at an optimum level by increasing the total expenditure only by £120,761.

The charity has also managed to generate income from investment properties of £126,038. Other income amounting to £157,215 primarily consists of Government support for Corona Virus Job Retention Scheme. Covid-19 did not have a significant impact on the overall performance in the current year.

## **Report of the Trustees – Continued**

### **Volunteer Support**

Madni Trust started its ground work when it was first established by the help of volunteers. This volunteer support has helped Madni Trust to achieve its aims and objectives. Without their continuous support, it would not be possible to continue with its activities with such quality and dedication. Over the years Madni Trust has had the help of committed volunteers. These volunteers have been used for various projects that Madni Trust has undertaken. In all the projects that volunteer help was given, Madni trust is thankful and appreciates the help.

### **Risks**

The major risks, to which that charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

### **Reserves Policy**

At 31 August 2020 the charity had funds of £ 5,427,829 (2019: 5,204,840).

The trustees plan is to endeavour to achieve a position where recurring revenue expenditure is met from recurring income and to try to maintain unrestricted funds at a minimum of £500,000 to meet unexpected needs.

### **Future Funding**

The trustees are exploring all possible avenues for fund raising but in the meantime the charity remains dependent upon the support of individual donors and of the community.

The trustees are grateful to all those who have provided their support to the charity in cash or in kind and express the sincere hope that they (and others) will continue to support the important work of the charity.

### **Related Parties**

In pursuit of its charitable objectives, the Trust has entered into transactions with Trustees and related parties. These are detailed in notes 9 & 20 of the accounts.

### **Recruitment, Appointment and Training of Trustees**

The Board of Trustees will consist of a minimum and maximum nine trustees and shall meet at least six times per annum.

Trustees are recruited in line with our Trust Deed and may be appointed by resolution of a meeting of the Trustees by a majority of 75%.

All trustees are required to be updated immediately on our current policies as part of the induction, and training courses are made available and done as soon as possible.

### **Arrangements for Setting Pay and Remuneration of Key Management**

Key management have given up their right to a salary based on market conditions. They are therefore paid a reduced salary as it is accepted that some of their time is treated as voluntary.

As a result, there isn't a policy, as such, to remunerate key management in accordance with market conditions.

## **Report of the Trustees – Continued**

### **Public Benefit**

Charity Trustees have a duty to report in the Annual Report on their Charity's contribution to public benefit. They are required to demonstrate that:

1. They are clear about what benefits are generated by the activities of the Charity. This report sets out some of the activities undertaken by Madni Trust in pursuit of the Charity's strategic objectives.
2. The benefits must be related to the objectives of the Charity.  
All activities of the Charity are undertaken in furtherance of its charitable objectives of providing education and training opportunities to disadvantaged individuals from ethnic minority communities, to raise awareness of education and training opportunities available to these people, to assist in the economic regeneration of the Asian community and to support the training of employees of small and medium sized enterprises operated by the Asian community.
3. The people assisted by the Charity must be entitled to do so in accordance with the Charity's objectives. The benefits provided by the Charity and directed at those individuals and communities identified in the objectives of the Charity.  
The trustees are therefore confident that the Charity meets the requirement of Public Benefit and they confirm that they have taken into account the guidance contained in the Charity Commissions General Guidance on Public Benefit.

## Report of the Trustees – Continued

### Reference and administrative information

**Charity Number** 1022471

**Registered Office** The Lodge Berkeley Avenue  
Mapperley Park  
Nottingham  
NG3 5TT

#### Trustees

The trustees and officers serving during the year and since the year end were as follows:

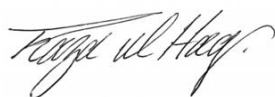
Mr Akhtar uz Zaman Ghouri (Chair)  
Mr Raza ul Haq (Secretary)  
Mr Hassan Din  
Mr Mohammad Akram  
Mr Ali Raza  
Mr Mohammad Qasim (appointed 1 September 2021)  
Mr Abdullah Ditta (appointed 1 September 2021)  
Mr Nasser Ali Zaman (appointed 1 September 2021)

**Auditors** Accountax (UK) Limited  
22-25 Portman Close  
Marylebone  
London  
England  
W1H 6BS

**Bankers** Natwest Bank Plc  
Basford Branch  
536 Valley Road  
Basford  
Nottingham  
NG5 1FL

**Key Management Personnel** Mr Raza ul Haq (Secretary)  
Mr Maha Abu-Taha (Head teacher)  
Mr Mohammad Mehfooz (Maintenance Manager)  
Mr Ali Raza (Finance Manager)  
Miss Suffia Raza (Head of Curriculum/ DSL)  
Miss Dua Younis (Senior Lead)

Approved by the board of Trustees and signed on its behalf



Mr Raza ul Haq  
Trustees

Date: 11/08/2022



## Statement of trustees' responsibilities

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).

Charity Law 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, including the income and expenditure, of the charitable company 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate 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 Act 2011 and the provisions of the trust deed. 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.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees and signed on its behalf by:



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Mr Raza ul Haq

Trustee

Date: 11/08/2022

**Madni Trust**  
**Independent Auditor's Report**  
**For The Year Ended 31 August 2021**

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**Independent Auditor's Report to the Trustees of Madni Trust**

**Opinion**

We have audited the financial statements of Madni Trust (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 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 Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the groups or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other Information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Madni Trust**  
**Independent Auditor's Report**  
**For The Year Ended 31 August 2021**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient 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.

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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.



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Ghafoor Ahmad (Senior Statutory Auditor)  
For and on behalf of Accountax (UK) Limited, Statutory Auditor

Chartered Certified Accountant and Registered Auditors  
22-25 Portman Close, Marylebone Road, London, England, W1H 6BS

Date: 11/08/2022

**Madni Trust**  
**Statement of Financial Activities**  
**For The Year Ended 31 August 2021**


		Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
	Notes				
<b>Income from:</b>					
Donations & legacies	2	281,030	2,265	283,295	156,144
Charitable activities	3	596,139	-	596,139	490,537
Investments	4	126,038	-	126,038	105,790
Other income	5	157,215	-	157,215	106,382
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income</b>		<b>1,160,422</b>	<b>2,265</b>	<b>1,162,687</b>	<b>858,853</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure:</b>					
Charitable activities	6	937,433	2,265	939,698	818,937
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income</b>		<b>222,989</b>	<b>-</b>	<b>222,989</b>	<b>39,916</b>
<b>Other recognised gains:</b>					
Gains on revaluation of investment properties	11	-	-	-	831,403
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		<b>222,989</b>	<b>-</b>	<b>222,989</b>	<b>871,319</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at 1 September 2020</b>	15	5,204,840	-	5,204,840	4,333,521
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at 31 August 2021</b>		<b>5,427,829</b>	<b>-</b>	<b>5,427,829</b>	<b>5,204,840</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 30 form part of these financial statements.

**Madni Trust**  
**Balance Sheet**  
**As at 31 August 2021**

		2021	2020
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	11	2,699,080	2,758,103
Investment properties	11	1,720,173	1,720,173
		4,419,253	4,478,276
<b>CURRENT ASSETS</b>			
Stock	12	1,008,292	1,008,292
Debtors	13	156,771	174,116
Cash at bank and in hand		375,798	158,995
		1,540,861	1,341,403
<b>Creditors: Amounts Falling Due Within One Year</b>	14	(532,285)	(614,839)
<b>NET CURRENT ASSETS</b>		1,008,576	726,564
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,427,829	5,204,840
<b>NET ASSETS</b>		5,427,829	5,204,840
<b>INCOME FUNDS</b>			
Unrestricted funds	15	5,427,829	5,204,840
<b>TOTAL FUNDS</b>		5,427,829	5,204,840

These financial statements were approved by the Board of Trustees on 11/08/2022 and were signed on its behalf by;



Mr Raza ul Haq  
Trustee

The notes on pages 18 to 30 form part of these financial statements.



**Madni Trust**  
**Statement of Cash flows**  
**For The Year Ended 31 August 2021**

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	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	17	264,607	107,293
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets	11	(47,809)	(16,962)
Sale of tangible fixed assets		-	11,500
Interest received	4	5	42
<b>Net cash used in investing activities</b>		(47,804)	(5,420)
<b>Net increase in cash and cash equivalents</b>		216,803	101,873
Cash and cash equivalents at beginning of year		158,995	57,122
<b>Cash and cash equivalents at end of year</b>		375,798	158,995

The notes on pages 18 to 30 form part of these financial statements.

## **1. ACCOUNTING POLICIES**

### **1.1. Basis of preparing the financial statements**

The financial statements of the charity have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated in the relevant accounting policy or note.

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

The charity meets the definition of a public benefit entity under FRS 102.

### **1.2. Income**

Gross income represents the value of donations received from donors.

Income recognition

Income, whether from exchange or non-exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other events results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Donations and legacies: These comprise all incoming resources from donations and gifts collected directly from individuals or organisations.

Charitable activities: These comprise income generated from the religious educational school, sales of books and boarding and lodging.

Investment Income: These comprise rental income from investment properties and interest receivable and similar charges.

Other Income: These comprise receipts from government support in relation to corona virus job retention scheme and realised gains/losses on tangible assets.

### **1.3. Expenditure**

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reserved if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

## **1. ACCOUNTING POLICIES - CONTINUED**

### **1.4. Allocation and apportionment of costs**

Resources expended are allocated to the particular activity where a cost relates directly to that activity. However, the costs of administration and support are of necessity apportioned between the activities of the charity.

The charity has no material costs of raising funds and so all support costs are apportioned to expenditure on charitable activities.

### **1.5. Volunteers**

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in note 8.

### **1.6. Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold	2% on Cost
Leasehold	In accordance with the property
Plant & Machinery	20% on Cost
Motor Vehicles	25% on Cost
Fixtures & Fittings	20% on Cost
Computer Equipment	50% on Cost

### **1.7. Investment Properties**

Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities and accumulated in the unrestricted reserve where the gain derived from revaluation of investment property held as an unrestricted funds unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the statement of financial activities for the year.

### **1.8. Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

### **1.9. Financial Instruments**

#### **i. Financial assets**

Basic financial assets, including debtors and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

## **1. ACCOUNTING POLICIES – CONTINUED**

### **i. Financial assets - Continued**

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

### **ii. Financial liabilities**

Basic financial liabilities, including creditors and other payables are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### **1.10. Taxation**

The charity is exempt from tax on its charitable activities.

### **1.11. Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

## **1. ACCOUNTING POLICIES – CONTINUED**

### **1.11. Fund accounting - Continued**

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### **1.12. Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme to the National Employment Savings Trust (NEST). It was set up to facilitate automatic enrolment as part of the government's workplace pension reforms under the Pensions Act 2008. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

### **1.13. Donated gifts, services and facilities**

Donated gifts, professional services and facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity is probable and the economic benefit arising can be measured reliably. In accordance with the Charities SORP (FRS102) time given by volunteers is not recognised. Details of the contribution made by volunteers is given elsewhere in the annual report.

On receipt, donated gifts, professional services or facilities are recognised on the basis of the value of the gift to the charity; a corresponding amount is then recognised as expenditure in the period of receipt.

### **1.14. Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### **1.15. Critical accounting estimates and assumptions**

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **(a) Useful economic lives of property, plant and equipment**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

### **1.16. Provision**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.



**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2020**

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Donations	283,295	156,144
	<b>283,295</b>	<b>156,144</b>
Analysis by fund		
Unrestricted funds	281,030	154,294
Restricted funds	2,265	1,850
	<b>283,295</b>	<b>156,144</b>

**3. INCOME FROM CHARITABLE ACTIVITIES – Unrestricted funds**

		<b>2021</b>	<b>2020</b>
	<b>Activity</b>	<b>£</b>	<b>£</b>
Income from school	Operation of Islamic schools and	572,196	461,722
Income from book sales	Islamic religious and community centres	23,943	28,815
		<b>596,139</b>	<b>490,537</b>

The education provided in the school is subsidised, and the parents contribute according to their financial condition.

**4. INVESTMENT INCOME – Unrestricted funds**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Rents received	126,033	105,748
Deposit account interest	5	42
	<b>126,038</b>	<b>105,790</b>

**5. OTHER INCOME – Unrestricted funds**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net loss on disposal of tangible assets	-	(2,227)
Government Support – Coronavirus Job Retention Scheme	157,215	108,609
	<b>157,215</b>	<b>106,382</b>

**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2021**

**6. CHARITABLE ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	458,468	364,035
Rates and water	44,077	50,837
Insurance	11,606	28,074
Light and heat	43,955	66,234
Other property expenses	83,089	73,652
Services	26,377	25,161
Advertising, printing and postage	6,197	9,736
Food and supplies	28,378	24,735
Education and training supplies	16,831	10,322
Depreciation	106,832	99,252
Charity expense	7,191	4,640
Pension	3,799	3,863
Bad debts	-	15,007
Allowance for doubtful debts	38,174	-
	874,974	775,548
Share of Support costs (see note 7)	64,724	43,389
	<b>939,698</b>	<b>818,937</b>
<b>Analysis by fund</b>		
Unrestricted funds	937,433	723,654
Restricted funds	2,265	95,283
	<b>939,698</b>	<b>818,937</b>

**7. SUPPORT COSTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Management	50,691	30,854
Finance	6,833	5,335
Governance costs	7,200	7,200
	<b>64,724</b>	<b>43,389</b>

Support costs include auditors' remuneration of £7,200 (2020: £7,200)

**8. THE CONTRIBUTION OF VOLUNTEERS**

The volunteers work tirelessly to achieve the goals of the charity and their contribution cannot be measured.

**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2021**

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**9. TRUSTEES' REMUNERATION AND BENEFITS**

Transactions with Trustees

During the year ended 31 August 2021 the charity paid a salary of £20,860 (2020: £12,100) to the trustee Ali Raza and £11,400 (2020: £10,296) to the trustee Mohammad Akram. These trustees were employed by the charity before they became trustees of the charity.

No expenses were incurred by the trustees on behalf of the charity during the year.

**10. EMPLOYEES**

**Number of employees**

The average monthly number of employees during the year was:

	2021	2020
	45	39
	<hr/>	<hr/>
Employment costs	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	443,888	354,827
Social security costs	14,580	9,208
Other pension costs	3,799	3,863
	<hr/>	<hr/>
	<b>462,267</b>	<b>367,898</b>
	<hr/> <hr/>	<hr/> <hr/>

No employees received emoluments in excess of £60,000 in the year ended 31 August 2021 or in the year ended 31 August 2020.

Details of remuneration paid to the trustees is included at Note 9.

The aggregate employee benefits paid to key management personnel during the year was £64,974 (2020: £37,964).

**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2021**

**11. TANGIBLE ASSETS**

	<b>Freehold land and buildings</b>	<b>Leasehold land and Buildings</b>	<b>Plant and Equipment</b>	<b>Fixture and Fittings</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost							
At 1 September 2020	3,659,231	260,876	148,425	158,972	90,985	33,489	4,351,978
Additions	19,457	-	995	18,291	9,066	-	47,809
At 31 August 2021	<b>3,678,688</b>	<b>260,876</b>	<b>149,420</b>	<b>177,263</b>	<b>100,051</b>	<b>33,489</b>	<b>4,399,787</b>
<b>Depreciation</b>							
At 1 September 2020	948,104	246,434	145,005	143,295	90,985	20,052	1,593,875
Depreciation charged in the year	73,574	10,831	1,339	11,166	4,533	5,389	106,832
At 31 August 2021	<b>1,021,678</b>	<b>257,265</b>	<b>146,344</b>	<b>154,461</b>	<b>95,518</b>	<b>25,441</b>	<b>1,700,707</b>
<b>Carrying amount</b>							
At 31 August 2021	<b>2,657,010</b>	<b>3,611</b>	<b>3,076</b>	<b>22,802</b>	<b>4,533</b>	<b>8,048</b>	<b>2,699,080</b>
At 31 August 2020	<b>2,711,127</b>	<b>14,442</b>	<b>3,420</b>	<b>15,677</b>	<b>-</b>	<b>13,437</b>	<b>2,758,103</b>

**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2021**

**11. TANGIBLE ASSETS (Continued)**

	<b>Investment Properties £</b>	<b>Total £</b>
<b>Cost or Valuation</b>		
As at 1 September 2020	1,720,173	1,720,173
Revaluation	-	-
As at 31 August 2021	<u><b>1,720,173</b></u>	<u><b>1,720,173</b></u>

The investment properties were assessed for fair value by the trustees of the trust by performing the following steps:

- making enquiries with the local property agents
- taking into consideration the rental yields generated by the properties, and;
- taking into consideration the current economic conditions, and;
- taking into consideration of the current and historical prices in the local area

Based on the above, the trustees conclude that the current carrying value of investment properties reflects the fair value of the investment properties.

**12. STOCK**

	<b>2021 £</b>	<b>2020 £</b>
Property development	<u>1,008,292</u>	<u>1,008,292</u>

**13. DEBTORS**

		<b>2021 £</b>	<b>2020 £</b>
Trade debtors	<b>13.1</b>	20,905	40,986
Other debtors		8,689	5,953
Accrued income		<u>127,177</u>	<u>127,177</u>
		<u><b>156,771</b></u>	<u><b>174,116</b></u>

**13.1. TRADE DEBTORS**

	<b>2021 £</b>	<b>2020 £</b>
Trade debtors	59,079	40,986
Less: Allowance for doubtful debts	<u>(38,174)</u>	<u>-</u>
	<u><b>20,905</b></u>	<u><b>40,986</b></u>



**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2021**

**14. CREDITORS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Community loans	395,696	520,090
Trade creditors	46,192	23,708
Other creditors	71,202	47,396
Accruals and deferred income	19,195	23,645
	<b>532,285</b>	<b>614,839</b>

Deferred income includes rent paid in advance of NIL (2020: £1,833) represents paid in advance.

**15. MOVEMENT IN FUNDS - 2021**

	<b>General Unrestricted Funds £</b>	<b>Total Unrestricted Funds £</b>	<b>Qurbani Restricted Funds £</b>	<b>Total Restricted Funds £</b>	<b>Total Funds 2021 £</b>
<b>INCOME AND ENDOWMENTS</b>					
Donation and legacies	281,030	281,030	2,265	2,265	283,295
Charitable activities	596,139	596,139	-	-	596,139
Investment Income	126,038	126,038	-	-	126,038
Other income	157,215	157,215	-	-	157,215
<b>Total Income</b>	<b>1,160,422</b>	<b>1,160,422</b>	<b>2,265</b>	<b>2,265</b>	<b>1,162,687</b>
<b>EXPENDITURE ON CHARITABLE ACTIVITIES</b>					
Operation of Islamic Schools and Islamic religious and community centres					
Direct Costs	872,709	872,709	2,265	2,265	874,974
Support costs	64,724	64,724	-	-	64,724
<b>Total expenditure</b>	<b>937,433</b>	<b>937,433</b>	<b>-</b>	<b>2,265</b>	<b>939,698</b>
<b>Net income</b>	<b>222,989</b>	<b>222,989</b>	<b>-</b>	<b>-</b>	<b>222,989</b>
<b>Net movement in funds for the year</b>	<b>222,989</b>	<b>222,989</b>	<b>-</b>	<b>-</b>	<b>222,989</b>
<b>RECONCILIATION OF FUNDS</b>					
At 31 August 2020	<b>5,204,840</b>	<b>5,204,840</b>	<b>-</b>	<b>-</b>	<b>5,204,840</b>
At 31 August 2021	<b>5,427,829</b>	<b>5,427,829</b>	<b>-</b>	<b>-</b>	<b>5,427,829</b>

**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2020**

**15.1 MOVEMENT IN FUNDS - 2020**

	<b>General Unrestricted Funds £</b>	<b>Total Unrestricted Funds £</b>	<b>Qurbani Restricted Funds £</b>	<b>Beechdale Court Restricted Funds £</b>	<b>Total Restricted Funds £</b>	<b>Total Funds £</b>
<b>INCOME AND ENDOWMENTS</b>						
Donation and legacies	154,294	154,294	1,850	-	1,850	156,144
Charitable activities	490,537	490,537	-	-	-	490,537
Investment Income	105,790	105,790	-	-	-	105,790
Other income	106,382	106,382	-	-	-	106,382
<b>Total Income</b>	<b>857,003</b>	<b>857,003</b>	<b>1,850</b>	<b>-</b>	<b>1,850</b>	<b>858,853</b>
<b>EXPENDITURE ON CHARITABLE ACTIVITIES</b>						
Operation of Islamic Schools and Islamic religious and community centres						
Direct Costs	680,265	680,265	1,850	93,433	95,283	775,548
Support costs	43,389	43,389	-	-	-	43,389
<b>Total expenditure</b>	<b>723,654</b>	<b>723,654</b>	<b>1,850</b>	<b>93,433</b>	<b>95,283</b>	<b>818,937</b>
<b>Net income</b>	<b>133,349</b>	<b>133,349</b>	<b>-</b>	<b>(93,433)</b>	<b>(93,433)</b>	<b>39,916</b>
<b>Gain on revaluation of investment properties</b>	<b>831,403</b>	<b>831,403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>831,403</b>
<b>Net movement in funds for the year</b>	<b>964,752</b>	<b>964,752</b>	<b>-</b>	<b>(93,433)</b>	<b>(93,433)</b>	<b>871,319</b>
<b>RECONCILIATION OF FUNDS</b>						
At 31 August 2019	<b>4,240,088</b>	<b>4,240,088</b>	<b>-</b>	<b>93,433</b>	<b>93,433</b>	<b>4,333,521</b>
At 31 August 2020	<b>5,204,840</b>	<b>5,204,840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,204,840</b>

**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2021**

**16. ANALYSIS OF NET ASSETS BY FUND**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Fund balances at 31 August 2021 are represented by:			
Tangible assets	2,699,080	-	2,699,080
Investment properties	1,720,173	-	1,720,173
Net current assets	1,008,576	-	1,008,576
	<b>5,427,829</b>	<b>-</b>	<b>5,427,829</b>

**17. CASH GENERATED FROM OPERATIONS**

	<b>2021 £</b>	<b>2020 £</b>
Surplus For the Year	222,989	871,319
Adjustments for:		
Investment income recognised in statement of financial activities	(5)	(42)
Revaluation gain on investment properties	-	(831,403)
Bad debts	-	15,007
Allowance for doubtful debts	38,174	-
Depreciation charged	106,832	99,252
Loss on disposal of tangible assets	-	2,227
Movement in working capital		
(Increase) /decrease in debtors	(20,829)	32,604
Decrease in creditors	(82,554)	(81,671)
<b>Cash generated from operations</b>	<b>264,607</b>	<b>107,293</b>

**18. RETIREMENT BENEFIT SCHEMES**

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund (NEST).

The charge in respect of defined contribution schemes was £3,799 (2020: £3,863).

**Madni Trust**  
**Notes to the Financial Statements**  
**For The Year Ended 31 August 2021**

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**19. Financial Instruments**

The Charity has the following financial instruments:

**Financial assets at fair value through profit or loss**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	20,905	40,986
Other debtors	8,689	5,953
Accrued income	127,177	127,177
	<b>156,771</b>	<b>174,116</b>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	46,192	23,708
Other creditors	71,202	47,396
Community Loan	395,696	520,090
Accruals and deferred income	19,195	21,812
	<b>532,285</b>	<b>613,006</b>

**20. RELATED PARTY TRANSACTIONS**

During the year under review a total amount of NIL (2020: £6,010) was loaned to the charity by the trustees. As at the year end, £65,640 (2020: £75,640) was owed to trustees in respect of loans and during the year charity returned loan of £10,000 (NIL:2020). The total amount owed to trustees includes amounts loaned of £31,880 (2020: £31,880) from c/o the trustees.

The other related party transactions include trustees and key management personnel remuneration which are disclosed in note 9 and note 10 respectively.