

**ISLAMIC EDUCATIONAL & RECREATIONAL  
INSTITUTE**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR**

**31 DECEMBER 2020**

**Charity Number 1050898**

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# **ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

## **MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

Registered charity name    Islamic Educational & Recreational Institute

Charity number                      1050898

Registered office                      165-169 The Broadway  
Southall  
Middlesex  
UB1 1LR

Trustees                                      Mr. A Rauf  
    Mr. M Asghar  
    Mr. S Khurram  
    Mr. A H Bhatti  
    Mr. A R Bhatti  
    Mr. M A Khan  
    Mr. M H Khan

Independent examiner                      MFK Accountants  
    135C – The Broadway  
    Southall  
    Middlesex  
    UB1 1LW

Bankers                                        Lloyds Bank  
    Station Road  
    Harrow  
    HA4 3EB

# **ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

## **TRUSTEES ANNUAL REPORT YEAR ENDED 31 DECEMBER 2020**

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

### **Reference and administrative details**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

### **The Trustees**

The trustees who served the charity during the period were as follows:

Mr A Rauf  
MR M Asghar  
Mr S Khurram  
Mr A H Bhatti  
Mr A R Bhatti  
Mr M A Khan  
Mr M H Khan

## **STRUCTURE and MANAGEMENT GOVERNANCE DOCUMENT**

Islamic Educational & Recreational Institute (**IERI**) is constituted as a charitable Trust and was registered with the Charity Commission on 31<sup>st</sup> October 1995, under the charity number 1050898. It is governed by a Deed of Trust.

### **ORGANISATIONAL STRUCTURE**

The Trustees are responsible for the general control and management of the Institution.

The Trustees give their time freely and receive no monetary compensation or any other financial benefits.

The Trustees meet regularly, and also when specific need arises. They are responsible for all decisions taken in relation to the running and maintenance of the Mosque, including the activities of the Institution.

# **ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

## **RISK MANAGEMENT**

The Trustees assess the risks the Institute faces and continually try to mitigate any identified risks.

Fire Risk assessments are carried out, and the Fire Alarm system is monitored 24/7 with procedures to alert the fire services.

DBS criminal record checks for appropriate personnel are regularly processed and kept up to date.

The Trustees also ensure suitable insurance covers are maintained and the Health and Safety regulations are met.

## **AIMS AND OBJECTIVES**

The object of the Institution is set out in the Charity's Trust deeds.

- For the advancement of the Islamic religion, particularly in accordance with the principles of the Muslim faith.
- For the advancement of Education

For the benefit of the inhabitants of Southall and surrounding areas in social, civic and cultural affairs.

The Trustees review these objectives regularly to ensure demands and needs of the community are met.

## **STRATEGIES**

We ensure our Institution is a welcoming venue for all sectors of the Muslim community, as well as people of different faiths.

In accordance with the principles of Islam, we distribute Sadaqah, Zakat and Fitranah to the needy in the UK, and internationally (particularly Pakistan, India, Bangladesh, Africa, and other disaster-struck areas) to cover their basic needs of shelter, food, clothing and urgent financial support.

An important part of our strategy is community welfare and education. All of our community facilities and activities including classes, health initiatives and seminars welcome the participation of the local multi-faith community. Most of our activities are

## **ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

free and supported by donations. Services are also provided by the NHS and the Fire Department to bring awareness to the community.

### **USE OF VOLUNTEERS**

Volunteers play an important role in both our faith and community work. We have over 15 people regularly giving their time. We encourage all members of our Mosque to be involved in voluntary activities and to share skills with others.

### **GRANT MAKING POLICY**

The Institution relies mainly on donations from the worshippers for various disaster appeals arising from natural calamities around the world, where fundraising and aid decisions are made by the Trustees.

The Institution also donates money to educational and welfare charities in those countries. Whenever possible, our Trustees personally oversee the distribution of funds in the affected areas. We work with partner organizations, when necessary, to identify the direness of the circumstances, and allocate the donations accordingly.

The donation procedure is strictly controlled by the Donation Request and Award approved by the trustees.

### **ACTIVITIES AND ACHIEVEMENTS**

#### **Means of Delivering Public Benefits**

We have a wide range of activities in pursuance of charitable aims.

We believe that these activities mentioned below provide benefits to both the attendees of the Mosque and the wider community of Southall and surrounding areas.

#### **Religious Activities**

##### **Prayers**

The Mosque is open daily from dawn till late for prayers. We around 400 people who regularly attend daily prayers, and around 3,000 who attend Friday/Eid prayers.

##### **Ladies Prayer Hall**

Ladies prayer facilities are also provided in separate dedicated area, along with the essential ablution and toilet facilities. This facility not only serves the local worshippers but also to visitors alike.

# **ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

## **Festivals and Events**

The Mosque arranges special programs and events during the festival seasons. There are also special programs held in the Holy month of Ramadhan. Food is provided by the members of the community, for approximately 400 people daily, for Iftar (breaking of fasts) over a period of 30 days. Every year we also celebrate the birthday of our Holy Prophet (PBUH), namely Eid Milad-Un-Nabi, and other days of Islamic significance like Miraj-Un-Nabi, Lailatul Qadr (the Night of Power), and the event of Karbala.

## **Radio Transmission of Programmes**

Abu Bakr Mosque radio transmitters provide, Adhan, Prayers, Lectures and special events. Approximately over 800 households are able to enjoy and benefit from these programmes in the comfort of their homes. Radio receivers are available to buy in our book shop which is located on the premises.

## **Nikah**

Our Imams perform Nikah Ceremonies which are available to the local Muslim community.

## **Inter-faith Dialogue**

The Mosque is an active member of the inter-faith group and also hosts such meetings when required.

## **Educational Activities: Ayesha Siddiqah Girls High School**

An Independent secondary school for girls which was established in year 2007. It is a registered school complying with the Department for Education regulations. The full National Curriculum teaching is covered at this school.

The last Ofsted inspection rated our school as 'GOOD'. Our GCSE exam results are consistently above the national average in most subjects.

# **ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

## **Principle funding sources**

The Institutions' main source of income is donations from both the attendees of the Mosque and the wider community. Donations are usually more significant on Fridays, during Ramadhan and during special festivals.

## **Our future plans**

Trustees continue to devote more effort in the improvement and expansion of the services that the charity offers.



# ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

## Financial Review


The charity's accounts for the 12 months period ending 31st December 2020 show an income of £402,898 and expenditure of £551,968. The Charity's income included Donation / collection of £157,585, Book Sale of £6,030, School fee of £208,271 and Rental income of £30,292. The trustees consider that the money raised, has been adversely impacted by the pandemic and similarly the cost related to raising the fund also remained lower compared to previous years.

The major part of expenditure is spent on salaries to all the staff. An amount of £379,572 was paid out as salaries, however this was partially compensated by the CJRS grant of £79,378 received on account of pandemic during the year. An amount of £30,466 was spent on Premises cost which included light, heating repair /maintenance, cleaning, rates/water. An amount of £11,178 was spent on resources and school/madrassa activities to attain income. An amount of £28,367 was spent on Legal fees for an ongoing case. Other overhead charges such as insurance and depreciation to run the Mosque amounted to £129,063. A detailed break up of all the expenses is given under notes to the financial statements.

## Reserves Policy

It is the charity's policy to maintain a balance on unrestricted funds (if possible), which equates to at least one month's unrestricted payments, equivalent to £65,000, to cover emergency situations that may arise from time to time. The balance of £3,035,983 held on unrestricted funds, at the year-end has met this requirement.

It is our policy to invest our funds balances on property or any low to moderate risk investments. All the investment decisions have to be authorized by all the trustees.

  
.....  
M H Khan  
(On behalf of all of the Trustees)  
165-169 The Broadway  
Southall  
Middlesex  
UB1 1LR

Dated: 28 October 2021

# ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

## Independent Examiner's Report to the Trustees of ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Year ended 31 December 2020

I report to the trustees on my examination of the financial statements of ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE for the year ended 31 December 2020.

### Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act'). The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.


### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of the Chartered Certified Accountants (ACCA), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....  
MFK Accountants Ltd  
Chartered Certified Accountants  
135C The Broadway, Southall  
Middlesex. UB1 1LW

Dated: 28 October 2021

# ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

## Statement of Financial Activities

Year Ended 31 December 2020

		Amounts in GBP (£) 000's			
		2020			2019
	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<b>Income and Endowments</b>					
Donations and Legacies	4	102,187	55,398	157,585	287,166
Other Trading Activities	5	214,301		214,301	248,478
Investment Income	6	30,292		30,292	30,047
Other Income	7	720		720	0
<b>Total Income</b>		347,500	55,398	402,898	565,691
<b>Expenditure</b>					
Expenditure on raising funds:					
Cost of raising donations and legacies	8	0	38,300	38,300	63,550
Costs of other trading activities	9	6,825	0	6,825	9,527
Expenditure on charitable activities	10	506,843	0	506,843	616,714
<b>Total Expenditure</b>		513,668	38,300	551,968	689,792
Net (losses) / gains on investments	12	0	0	0	0
<b>Net Income and Net Movement in Funds</b>	13	-166,168	17,098	-149,070	-124,101
<b>Reconciliation of Funds</b>					
Total funds brought forward	22	3,202,151	39,991	3,242,141	3,366,242
<b>Total Funds carried forward</b>		3,035,983	57,089	3,093,071	3,242,141

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

All income and expenditure derive from continuing activities.

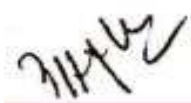
**ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

**Statement of Financial Position**

**Year Ended 31 December 2020**

	Note	Amounts in GBP (£) 000's	
		2020	2019
<b>Fixed Assets</b>			
Tangible fixed assets	16	2,065,812	2,168,308
Investments	17	832,500	832,500
		<b>2,898,312</b>	3,000,808
<b>Current Assets</b>			
Stocks	18	3,500	3,500
Debtors	19	40,720	30,000
Cash at bank and in hand	20	274,051	298,136
		<b>318,271</b>	331,636
<b>Creditors: falling due within one year</b>	21	123,512	90,303
<b>Net Current Assets</b>		<b>194,759</b>	241,333
<b>Total Assets less Current Liabilities</b>		<b>3,093,071</b>	3,242,141
<b>Funds of the Charity</b>			
Restricted funds		57,089	39,991
Unrestricted funds		3,035,983	3,202,151
<b>Total Charity funds</b>	22	<b>3,093,071</b>	3,242,141

These financial statements were approved by the board of trustees and authorised for issue on 28 Oct 2021



Trustee  
(On Behalf Of All The Trustees)

ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Statement of Cash Flows

Year Ended 31 December 2020

	Note	Amounts in GBP (£) 000's	
		2020	2019
<b>Cash flows from operating activities</b>			
Net Income		-149,070	-124,101
Adjustments:			
Depreciation of tangible fixed assets		120,288	132,141
Net (losses) / gains on investments		0	0
Dividend, interest and rents from investments		-30,292	-30,047
Interest Payable and simialr charges		276	181
Gains on disposal of programme related investments		-720	0
		89,551	102,275
Net Changes:			
Stocks		0	-500
Trade and other debtors		-10,720	-1,502
Trade and other creditors		34,209	-6,052
		23,488	-8,054
Cash generated from operating activities		-36,030	-29,880
Interest paid		-276	-181
<b>Net cash from operating activities</b>		-36,306	-30,060
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		30,292	30,047
Purchase of tangible assets		-17,792	-50,062
Proceeds from sale of social investments		720	0
Proceeds form sale of other investments		0	0
<b>Net cash (used in) / from investing activities</b>		13,221	-20,014
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-1,000	3,500
<b>Net cash used in financing activities</b>		-1,000	3,500
<b>Net (decrease) / increase in cash and cash equivalents</b>		-24,086	-46,575
<b>Cash and cash equivalents at beginning of the year</b>		298,136	344,711
<b>Cash and cash equivalents at end of the year</b>	20	274,051	298,136

## ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

### Notes to the Financial Statements *(continued)* Year Ended 31 December 2020

#### 1 General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 165-169 The Broadway, Southall, Middlesex, UB1 1LR

#### 2 Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Charities Act 2011.

#### 3 Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

There are no material uncertainties about the charity's ability to continue.

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- o income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- o legacy income is recognised when receipt is probable and entitlement is established.
- o income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- o income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

## ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

### Notes to the Financial Statements (continued) Year Ended 31 December 2020

#### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- o expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- o expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity
- o other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

#### Tangible assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Building improvements	- 12% reducing balance
Fixtures & Fittings	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Equipment	- 25% reducing balance

#### Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

**ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

**Notes to the Financial Statements (continued)**  
**Year Ended 31 December 2020**

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.



ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Notes to the Financial Statements (continued)  
Year Ended 31 December 2020

4 Donation and Legacies

		Amounts in GBP (£) 000's	
		2020	2019
<b>Donation and Legacies - Unrestricted funds</b>			
Donations and collections		81,487	157,875
Madrasa collections		18,420	72,695
Nikah registration fee		2,280	3,110
<b>Total Donation and Legacies - Unrestricted funds</b>		<b>102,187</b>	<b>233,680</b>
<b>Donation and Legacies - Restricted funds</b>			
Donations - relief fund		55,398	53,487
<b>Total Donation and Legacies - Restricted funds</b>		<b>55,398</b>	<b>53,487</b>
<b>Total Donation and Legacies</b>		<b>157,585</b>	<b>287,166</b>

ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Notes to the Financial Statements (continued)  
Year Ended 31 December 2020

5	Other Trading Activities	Amounts in GBP (£) 000's	
		2020	2019
	<b>Other Trading Activities - Unrestricted funds</b>		
	Book shop income	6,030	27,293
	School Fees	208,271	221,185
	<b>Total Other Trading Activities - Unrestricted funds</b>	<b>214,301</b>	<b>248,478</b>
	<b>Total Other Trading Activities - Restricted funds</b>	<b>0</b>	<b>0</b>
	<b>Total Other Trading Activities</b>	<b>214,301</b>	<b>248,478</b>
6	Investment Income		
		2020	2019
	<b>Investment Income - Unrestricted funds</b>		
	Income from investment properties	30,292	30,047
	<b>Total Investment Income - Unrestricted funds</b>	<b>30,292</b>	<b>30,047</b>
	<b>Total Investment Income - Restricted funds</b>	<b>0</b>	<b>0</b>
	<b>Total Investment Income</b>	<b>30,292</b>	<b>30,047</b>
7	Other Income		
		2020	2019
	<b>Other Income - Unrestricted funds</b>		
	Tax recovered under Gift Aid Scheme	720	0
	<b>Total Other Income - Unrestricted funds</b>	<b>720</b>	<b>0</b>
	<b>Total Other Income - Restricted funds</b>	<b>0</b>	<b>0</b>
	<b>Total Other Income</b>	<b>720</b>	<b>0</b>
8	Cost of Raising Donations and Leagacies		
		2020	2019
	<b>Cost of Raising Donations and Leagacies - Unrestricted funds</b>		
	Donations - other motor / travel costs and collections	0	0
	Donations - other cost	0	0
	<b>Total Cost of Raising Donations and Leagacies - Unrestricted funds</b>	<b>0</b>	<b>0</b>
	<b>Cost of Raising Donations and Leagacies - Restricted funds</b>		
	Donations - other cost	38,300	63,550
	<b>Total Cost of Raising Donations and Leagacies - Restricted funds</b>	<b>38,300</b>	<b>63,550</b>
	<b>Total Cost of Raising Donations and Leagacies</b>	<b>38,300</b>	<b>63,550</b>

ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Notes to the Financial Statements (continued)  
Year Ended 31 December 2020

9 Cost of Other Trading Activities

Amounts in GBP (£) 000's	
2020	2019
<b>Cost of Other Trading Activities - Unrestricted funds</b>	
Book shop costs - opening stock	3,000
Book shop costs - purchases	10,027
Book shop costs - closing stock	-3,500
<b>Total Cost of Other Trading Activities - Unrestricted funds</b>	<b>9,527</b>
<b>Total Cost of Other Trading Activities - Restricted funds</b>	<b>0</b>
<b>Total Cost of Other Trading Activities</b>	<b>9,527</b>

10 Expenditure on Charitable Activities by Fund Type

Amounts in GBP (£) 000's	
2020	2019
<b>Expenditure on Charitable Activities by Fund Type - Unrestricted funds</b>	
Expenditure - Unrestricted Funds	616,714
<b>Total Expenditure on Charitable Activities by Fund Type - Unrestricted funds</b>	<b>616,714</b>
<b>Total Expenditure on Charitable Activities by Fund Type - Restricted funds</b>	<b>0</b>
<b>Total Expenditure on Charitable Activities by Fund Type</b>	<b>616,714</b>

11 Expenditure on Charitable Activities by Activity Type

Amounts in GBP (£) 000's	
2020	2019
Activities undertaken directly	616,714
<b>Total Expenditure on Charitable Activities by Activity Type</b>	<b>616,714</b>

12 Net (losses) / gains on Investments

Amounts in GBP (£) 000's	
2020	2019
<b>Net (losses) / gains on Investments - Unrestricted funds</b>	
Gains / (losses) on Other Investments	0
<b>Total Net (losses) / gains on Investments - Unrestricted funds</b>	<b>0</b>
<b>Total Net (losses) / gains on Investments - Restricted funds</b>	<b>0</b>
<b>Total Net (losses) / gains on Investments</b>	<b>0</b>

ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Notes to the Financial Statements (continued)  
Year Ended 31 December 2020

**13 Net Income**

Amounts in GBP (£) 000's	
2020	2019
<b>Net Income is stated after charging / (crediting):</b>	
Depreciation of tangible fixed assets	132,141
<b>Total Net Income</b>	<b>-124,101</b>

**14 Staff Costs**

Amounts in GBP (£) 000's	
2020	2019
Wages & Salaries	360,761
Social Security Costs	14,823
<b>Total Staff Costs</b>	<b>375,584</b>
Average head-count of employees during the year	38

During the year, no employee received employee benefits of more than £60,000

**15 Trustee Remuneration and Expenses**

During 2020, the Charity remained under the control of Trustees and Management Committee members as listed on page 1. None of the trustee or management committee member were remunerated or paid any expenses.

ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Notes to the Financial Statements (continued)  
Year Ended 31 December 2020

16 Tangible Fixed Assets

	Amounts in GBP (£) 000's	
	2020	2019
<b>Land and Buildings</b>		
Cost at the start of the period	3,847,802	3,802,427
Additions / deletions during the period	13,076	45,376
<b>Cost at the end of the period</b>	<b>3,860,879</b>	<b>3,847,802</b>
Accumulated Depreciation at the start of the period	1,702,012	1,577,377
Depreciation charge for the year	113,479	124,635
<b>Accumulated Depreciation at the end of the period</b>	<b>1,815,491</b>	<b>1,702,012</b>
<b>Net carrying amount of Land and Buildings at the end of the period</b>	<b>2,045,387</b>	<b>2,145,790</b>
<b>Fixtures &amp; Fittings</b>		
Cost at the start of the period	87,451	87,451
Additions / deletions during the period	0	0
<b>Cost at the end of the period</b>	<b>87,451</b>	<b>87,451</b>
Accumulated Depreciation at the start of the period	71,022	65,545
Depreciation charge for the year	4,108	5,477
<b>Accumulated Depreciation at the end of the period</b>	<b>75,129</b>	<b>71,022</b>
<b>Net carrying amount of Fixtures &amp; Fittings at the end of the period</b>	<b>12,322</b>	<b>16,429</b>
<b>Motor Vehicle</b>		
Cost at the start of the period	0	0
Additions during the period		
Deletions / disposals during the period	0	0
<b>Cost at the end of the period</b>	<b>0</b>	<b>0</b>
Accumulated Depreciation at the start of the period	0	0
Deletion / disposals for the year	0	0
Depreciation charge for the year		
<b>Accumulated Depreciation at the end of the period</b>	<b>0</b>	<b>0</b>
<b>Net carrying amount of Motor Vehicle at the end of the period</b>	<b>0</b>	<b>0</b>
<b>Equipment</b>		
Cost at the start of the period	40,507	35,822
Additions / deletions during the period	4,715	4,686
<b>Cost at the end of the period</b>	<b>45,223</b>	<b>40,507</b>
Accumulated Depreciation at the start of the period	34,418	32,389
Depreciation charge for the year	2,701	2,029
<b>Accumulated Depreciation at the end of the period</b>	<b>37,119</b>	<b>34,418</b>
<b>Net carrying amount of Equipment at the end of the period</b>	<b>8,104</b>	<b>6,089</b>
<b>Total Assets</b>		
Cost at the start of the period	3,975,761	3,925,699
Additions during the period	17,792	50,062
Deletions / disposals during the period	0	0
<b>Cost at the end of the period</b>	<b>3,993,552</b>	<b>3,975,761</b>
Accumulated Depreciation at the start of the period	1,807,452	1,675,311
Deletion / Disposals for the year	0	0
Depreciation charge for the year	120,288	132,141
<b>Accumulated Depreciation at the end of the period</b>	<b>1,927,740</b>	<b>1,807,452</b>
<b>Net carrying amount of Total Assets at the end of the period</b>	<b>2,065,812</b>	<b>2,168,308</b>

Land and buildings, includes freehold land. Depreciation is not charged on freehold land amount £1,024,076

ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Notes to the Financial Statements (continued)  
Year Ended 31 December 2020

17 Investments

Amounts in GBP (£) 000's	
2020	2019
<b>Investment property</b>	
Cost at the start of the period	832,500
Additions / deletions during the period	0
Fair value movements	0
Impairment	0
<b>Net carrying amount of Investment property at the end of the period</b>	<b>832,500</b>

All investments shown above are held at valuation.

**Investment properties**

Valuation of investment property provided by trustees confirmed by online means. No change in year indicated.

18 Stocks

Amounts in GBP (£) 000's	
2020	2019
<b>Raw materials and consumables</b>	<b>3,500</b>

19 Debtors

Amounts in GBP (£) 000's	
2020	2019
<b>Other Debtors</b>	<b>40,720</b>

20 Cash & Cash Equivalents

Amounts in GBP (£) 000's	
2020	2019
<b>Cash and cash equivalents comprise of the following:</b>	
Cash in hand	96
Cash at Bank	273,954
Bank overdrafts	0
<b>Total Cash &amp; Cash Equivalents at the end of the period</b>	<b>274,051</b>

21 Creditors: amounts falling due with in one year

Amounts in GBP (£) 000's	
2020	2019
<b>Ceditors falling due with in a year comprise of the following:</b>	
Bank loans, loans and overdrafts	82,800
Social Security and other taxes	12,688
Other creditors	28,024
<b>Total Creditors: amounts falling due with in one year at the end of the period</b>	<b>123,512</b>

ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE

Notes to the Financial Statements (continued)  
Year Ended 31 December 2020

22 Analysis of Charitable Funds

	Amounts in GBP (£) 000's	
	2020	2019
<b>General Charitable funds - Unrestricted</b>		
At the start of the period	2,879,045	2,993,082
Income during the period	347,500	512,205
Expenditure during the period	-513,668	-626,242
Gains & (losses)	0	0
<b>Total General Charitable funds - Unrestricted at the end of the period</b>	<b>2,712,877</b>	<b>2,879,045</b>
<b>Fair value reserves - Unrestricted</b>		
At the start of the period	323,106	323,106
Income during the period	0	0
Expenditure during the period	0	0
Gains & (losses)	0	0
<b>Total Fair value reserves - Unrestricted at the end of the period</b>	<b>323,106</b>	<b>323,106</b>
<b>Total Analysis of Charitable Funds - Unrestricted, at the end of the period</b>	<b>3,035,983</b>	<b>3,202,151</b>
<b>Restricted Funds</b>		
At the start of the period	39,991	50,054
Income during the period	55,398	53,487
Expenditure during the period	-38,300	-63,550
Gains & (losses)	0	0
<b>Total Restricted Funds at the end of the period</b>	<b>57,089</b>	<b>39,991</b>
<b>Total Funds at the end of the period</b>	<b>3,093,071</b>	<b>3,242,141</b>
<b>23 Analysis of Net Assets Between Funds</b>		
	2020	2019
<b>Net Assets - Unrestricted</b>		
Tangible Fixed Assets	2,898,312	3,000,808
Current Fixed Assets	137,670	201,342
<b>Total Net Assets - Unrestricted at the end of the period</b>	<b>3,035,983</b>	<b>3,202,151</b>
<b>Net Assets - Restricted</b>		
Tangible Fixed Assets	0	0
Current Fixed Assets	57,089	39,991
<b>Total Net Assets - Restricted at the end of the period</b>	<b>57,089</b>	<b>39,991</b>
<b>Total Net Assets</b>		
Tangible Fixed Assets	2,898,312	3,000,808
Current Fixed Assets	194,759	241,333
<b>Total Total Net Assets at the end of the period</b>	<b>3,093,071</b>	<b>3,242,141</b>

24 Related parties

During the year the Charity was under the control of Trustees and Management Committee members as listed on page 1. None of the trustee or management committee member were remunerated or paid any expenses. However, they used the facilities offered by the Charity for performance of their religious duties like other members of the Muslim community.

**ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

**Management Information  
Year Ended 31 December 2020**

**The following pages do not form part of the financial statements**



**ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

**Management Information  
Year Ended 31 December 2020**

**Income and Endowments**

Amounts in GBP (£) 000's

**Donation and Legacies**

Donations and collections

Donations - Relief Fund

Madrasa collections

Nikah registration fee

**Total Donation and Legacies**

<b>2020</b>	<b>2019</b>
<b>81,487</b>	157,875
<b>55,398</b>	53,487
<b>18,420</b>	72,695
<b>2,280</b>	3,110
<b>157,585</b>	287,166

**Other Trading Activities**

Book shop income

School Fees

**Total Other Trading Activities**

6,030	27,293
208,271	221,185
<b>214,301</b>	248,478

**Investment Income**

Income from investment properties

**Total Investment Income**

30,292	30,047
<b>30,292</b>	30,047

**Other Income**

Tax recovered under Gift Aid Scheme

**Total Other Income**

4a

720	0
<b>720</b>	<b>0</b>

**Total Income**

<b>402,898</b>	565,691
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**ISLAMIC EDUCATIONAL & RECREATIONAL INSTITUTE**

**Management Information**

**Year Ended 31 December 2020**

		Amounts in GBP (£) 000's	
		2020	2019
<b>Expenditure on charitable activities</b>			
Wages and salaries		365,124	360,761
Employer's NIC		14,448	14,823
Grant - Job Retention Scheme		-79,378	0
Rates and water		6,046	8,367
Light and heat		19,297	22,774
Repairs and maintenance		5,122	26,899
Insurance		8,775	7,082
Other establishment		83	625
Legal, professional and accountancy fees		29,367	23,337
Telephone		2,081	2,008
Other office costs		11,178	16,276
Depreciation		120,288	132,141
Interest on bank loans and overdrafts		276	181
Staff Training		633	692
Entertainment		0	0
Bank charges		85	483
Printing, postage and stationary		3,418	266
		<b>506,843</b>	<b>616,714</b>
<b>Total expenditure</b>		<b>551,968</b>	<b>689,792</b>
<b>Net (losses) / gains on investments</b>			
Gains / (losses) on other investment assets		0	0
<b>Net income</b>		<b>-149,070</b>	<b>-124,101</b>
<b>Cash &amp; Cash Equivalents</b>			
		Amounts in GBP (£) 000's	
		2020	2019
<b>Cash and cash equivalents comprise of the following:</b>			
<b>Cash in hand</b>		96	3
<b>Cash at Bank</b>			
Lloyds TSB Deposit Acc 2934334		0	0
Lloyds TSB Mosque Acc 2933928		71,412	111,112
Lloyds TSB Book shop Acc 2934576		33,794	48,536
Lloyds TSB Madrasa Acc 2933804		1,520	7,797
Islamic BB School Acc 01015802	AL Rayan Bank	0	0
Islamic BB Property Acc 0105803	AL Rayan Bank	-24	9,943
Lloyds Property Acc 41023568		40,111	13,427
Lloyds TSB School Acc 41024660		70,052	67,327
Lloyds Relief Fund 41023160		57,089	39,991
HBL Relief Fund Acc 70012905		0	0
		<b>273,954</b>	<b>298,133</b>
<b>Bank overdrafts</b>		<b>0</b>	<b>0</b>
<b>Total Cash &amp; Cash Equivalents at the end of the period</b>		<b>274,051</b>	<b>298,136</b>