

The Preston Muslim Society Masjid-E-Falah

**Trustees' Report and Accounts
For The Year Ended
31 March 2021**

STONEBRIDGE



Accountants & Business Advisors

**THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH
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**THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH**

CHARITY INFORMATION

Registered Charity Name. The Preston Muslim Society Masjid-E-Falah

Registered Charity Number 1059104

Principal Address 135-139 Kent Street
Preston
Lancashire
PR1 1PE

Trustees Z Patel
M H Polli
D A Munshi
Z I Patel

Bankers National Westminster Bank Plc
35 Fishergate
Preston
Lancashire
PR1 2AD

Independent Examiner Stonebridge Accountants
19a Chorley Old Road
Bolton
Lancashire
BL1 3AD

THE PRESTON MUSLIM SOCIETY MASJID-E-FALAH

REPORT OF THE TRUSTEES

The trustees present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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) published in October 2019.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective of the trust as set out in the governing document is to advance the religion of Islam.

Strategies

We want to make our Mosque an accessible and welcoming venue where all Muslims, or those who wish to know more about our faith, can gather together to learn about their religion and worship. The Mosque is open at all times with daily prayers, the Friday prayers being a focus of our activities.

An important part of our strategy is community welfare and education. All our community facilities and activities including classes, health initiatives and seminars are advertised and we welcome the participation of all in our local community, Muslim and non-Muslim alike. Most of our activities are free and supported by donations.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charity's main objective is to provide a place of worship, and to promote Islamic education and training.

The charity provides facilities for the public to conduct daily prayers, and continually strives to improve on this through the support and donations received by those individuals that use the facilities.

Public benefit & Community Activities

The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below & within this report, provide benefit to all who wish to participate.

- - Seminars - organised periodically on various educational topics.
- - Courses - short courses are held to take an in depth look at topics covered in seminars.
- - Evening School - for children aged 5-12 years old, teaching basic Islamic Studies.
- - Consultancy - offering advice to local schools and service providers.
- - Library - well stocked library for research and for community use.

Religious Activities

Our Mosque provides a centre for our prayers and worship and for the activities associated with our faith. During the year under review, we offered a range of religious services and activities including:

Prayers: The place of worship within the charities building is open for all daily and Friday prayers. During the week we have over 20 people who regularly attend daily prayers and over 200 who regularly Friday prayer.

Festivals: The charity provides facilities in terms of sermon, literature and place of worship on those special occasions.

Funeral Facilities: The charity provides a complete funeral service in line with the teachings of Islam. We relieve the deceased's bereaved relatives of the burden of organising burials. We also hold special classes to teach people how to proceed with Islamic burial procedures.

Civil Marriage and Nikah: The Mosque provides Muslim couples with an appropriate location for their both civil marriage and Nikah (Islamic marriage).

Hifz Classes: Memorisation of the Quran is considered an important element of religious education and training. We continue to provide this facility for the all young people within the charity's premises.

Evening classes: Classes are offered to children to learn about the basic fundamentals of Islam.

Islamic Awareness: This year we have launched a series of lectures, open to all, to promote Islamic knowledge and awareness.

Inter-faith Dialogue: The charity is an active member of the Faith Communities Forum for the Local area. We use this platform to promote inter-faith dialogue and social cohesion.

THE PRESTON MUSLIM SOCIETY MASJID-E-FALAH

REPORT OF THE TRUSTEES (continued)

FINANCIAL REVIEW

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level which equate to approximately 12 months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs.

FUTURE PLANS

The charity plans continuing the activities outlined above in the forthcoming years. We also plan to look into further projects which will help us to fulfil our aims and objectives.

In the immediate future the charity aims to create further awareness of the educational centre, research more in depth the requirements of the public and provide services to aid a more prosperous and cohesive community.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Preston Muslim Society Masjid-E-Falah is a registered UK Charity constituted on 12 April 1993 under charity number 1059104. It is an unincorporated charity. The governing document is a Trust Deed.

Recruitment and appointment of new trustees

The trustees have the power to appoint any person to be a trustee in accordance with the provisions of the Trust Deed. An appointed trustee holds office within the limits permitted by law.

COVID-19

The Trustees must be mindful of possible financial pressures on the Charity a result of the Covid-19 crisis and have concluded that there is no significant going concern risk.

Trustees' responsibilities statement

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 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.

Approved by order of the board of trustees on 17 May 2021 and signed on its behalf by:

Z Patel - Trustee

THE PRESTON MUSLIM SOCIETY MASJID-E-FALAH

INDEPENDENT EXAMINER'S REPORT

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages five to thirteen.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts 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.

**Stonebridge Accountants
19a Chorley Old Road
Bolton
Lancashire
BL1 3AD**

17 May 2021

**THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH**

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	2021 Total	2020 Total
	Note	£	£	£	£	£
Income from:						
Donations and legacies	1	40,543	-	-	40,543	89,451
Investment income	2	7,200	-	-	7,200	7,610
		<u>47,743</u>	<u>-</u>	<u>-</u>	<u>47,743</u>	<u>97,061</u>
Expenditure on:						
Charitable activities	3	45,736	9,006	-	54,742	52,695
Total expenditure		<u>45,736</u>	<u>9,006</u>	<u>-</u>	<u>54,742</u>	<u>52,695</u>
Net income/(expenditure)		2,007	(9,006)	-	(6,999)	44,366
Transfers between funds	11	(16,238)	16,238	-	-	-
Net movement in funds		<u>(14,231)</u>	<u>7,232</u>	<u>-</u>	<u>(6,999)</u>	<u>44,366</u>
Reconciliation of funds:						
Total funds b/fwd	12	105,723	492,713	-	598,436	554,070
Total funds c/fwd	11	<u>91,492</u>	<u>499,945</u>	<u>-</u>	<u>591,437</u>	<u>598,436</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

**THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH**

BALANCE SHEET

AS AT 31 MARCH 2021

		Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	2021 Total	2020 Total
	Note	£	£	£	£	£
Fixed assets						
Tangible assets	8	-	499,945	-	499,945	492,713
		-	499,945	-	499,945	492,713
Current assets						
Debtors	9	-	-	-	-	7,814
Cash at bank and in hand		91,492	-	-	91,492	97,909
		91,492	-	-	91,492	105,723
Liabilities – Creditors falling due within one year	10	-	-	-	-	-
Net current assets		91,492	-	-	91,492	105,723
Net assets		91,492	499,945	-	591,437	598,436
Represented by:						
Total Funds	11	91,492	499,945	-	591,437	598,436

The financial statements were approved by the Board of Trustees on 17 May 2021 and were signed on its behalf by:

M H Polli – Trustee

THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2021

Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) issued in October 2019', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these financial statements.

The Trustees must be mindful of possible financial pressures on the Charity a result of the Covid-19 crisis and have concluded that there is no significant going concern risk. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Fund accounting

Unrestricted General funds - unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds - unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds - to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

THE PRESTON MUSLIM SOCIETY MASJID-E-FALAH

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources. Detailed analyses of the expenditure, including irrecoverable VAT where applicable, are provided in the notes to the accounts.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the SOFA.

Taxation

The charity is exempt from tax on its charitable activities

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are generally capitalised and included at cost including any incidental expenses of acquisition. This general policy is subject to the capital nature of project, smaller items may be capitalised if part of a bigger project and higher values may be expensed if part of a cyclical maintenance programme. Any development work to be capitalised will be depreciated on completion of the project.

Depreciation is provided on fixed assets to write off the cost over their estimated useful lives on a straight-line basis at the following principal rates per annum:

Freehold land & buildings	-	not provided for
Fixtures, fittings and equipment	-	20% straight line (previously 15% on reducing balance)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

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

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH**

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

**THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH**

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Income from donations and legacies

	2021 £	2020 £
Donations and membership income	40,543	89,451
Gift aid claims	-	-
Unrestricted	<u>40,543</u>	<u>89,451</u>

2 Investment income

	2021 £	2020 £
Rental income	7,200	7,610
Unrestricted	<u>7,200</u>	<u>7,610</u>

3 Analysis of expenditure on charitable activities

	2021 £	2020 £
Direct costs		
Charitable donations	-	-
Support costs		
Governance costs (see note 4)	-	(294)
Wages and salaries	21,645	23,375
Rates and water	105	152
Insurance	4,167	2,657
Light and heat	13,112	10,335
Telephone	474	600
Postage and stationery	83	600
Bank charges	25	25
Repairs and maintenance	1,204	8,914
General expenses	521	3,082
Covid related expenses	4,400	-
Depreciation of fixed assets	9,006	3,249
	<u>54,742</u>	<u>52,695</u>
Unrestricted	45,736	49,446
Designated	<u>9,006</u>	<u>3,249</u>
	<u>54,742</u>	<u>52,695</u>

4 Governance costs

	2021 £	2020 £
Accountancy fees	-	(294)
Trustees support costs	-	-
Legal fees	-	-
	<u>-</u>	<u>(294)</u>

THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5 Staff numbers

The average monthly number of employees during the year was as follows:

	2021 No.	2020 No.
Imams	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000

6 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the current or prior year.

7 Related party transactions

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

8 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
As at 1 April 2020	474,302	90,576	564,878
Reclassification	5,610	(5,610)	-
Additions	16,238	-	16,238
Disposals	-	(63,794)	(63,794)
As at 31 March 2021	<u>496,150</u>	<u>21,172</u>	<u>517,322</u>
Depreciation			
As at 1 April 2020	-	72,165	72,165
Charge for the year	-	9,006	9,006
Disposals	-	(63,794)	(63,794)
As at 31 March 2021	<u>-</u>	<u>17,377</u>	<u>17,377</u>
Net book value			
As at 31 March 2021	<u>496,150</u>	<u>3,795</u>	<u>499,945</u>
As at 31 March 2020	<u>474,302</u>	<u>18,411</u>	<u>492,713</u>

**THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Debtors

	2021	2020
	£	£
Accrued gift aid income	-	6,355
Prepaid expenses	-	1,459
	<u>-</u>	<u>7,814</u>
	<u>-</u>	<u>7,814</u>

10 Creditors

	2021	2020
	£	£
Accrued expenses	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

11 Funds

Unrestricted General funds

Unrestricted general funds represent available funds to be used at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted Designated funds

Unrestricted designated funds all relate to amounts invested in fixed assets for charitable use. Any assets capitalised during the year will have equal transfer from the general fund to the designated fund.

Restricted funds

There were no restricted funds during the current and prior year.

THE PRESTON MUSLIM SOCIETY
MASJID-E-FALAH
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Comparable funds information

	Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	2020 Total	2019 Total
	£	£	£	£	£
Income from:					
Donations and legacies	89,451	-	-	89,451	57,203
Investment income	7,610	-	-	7,610	7,631
	<u>97,061</u>	<u>-</u>	<u>-</u>	<u>97,061</u>	<u>64,834</u>
Expenditure on:					
Charitable activities	49,446	3,249	-	52,695	53,574
Total expenditure	<u>49,446</u>	<u>3,249</u>	<u>-</u>	<u>52,695</u>	<u>53,574</u>
Net income/(expenditure)	47,615	(3,249)	-	44,366	11,260
Transfers between funds	-	-	-	-	-
Net movement in funds	47,615	(3,249)	-	44,366	11,260
Reconciliation of funds:					
Total funds b/fwd	58,108	495,962	-	554,070	542,810
Total funds c/fwd	<u>105,723</u>	<u>492,713</u>	<u>-</u>	<u>598,436</u>	<u>554,070</u>
Funds represented by:					
Tangible fixed assets	-	492,713	-	492,713	495,962
Current assets	105,723	-	-	105,723	59,416
Current liabilities	-	-	-	-	(1,308)
	<u>105,723</u>	<u>492,713</u>	<u>-</u>	<u>598,436</u>	<u>554,070</u>