

**MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH
SCHOOL**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

MASJID-E-SAJEDEEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

A Bobat
M A Sidat
Y Diwan
S A Desai
I Ghanchi
Y Khalifa
Y Patel
I Sedat
S Lunat
S Akuji
F Patel
S Sidat MBE
I Sidat

Charity number

1081557

Address

Plane Tree Road
Blackburn
Lancashire
BB1 6PH

Independent examiner

AMS Accountants Corporate Limited
Chartered Accountants
Floor 2
9 Portland Street
Manchester
M1 3BE

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

CONTENTS

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 14

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The trustees present their annual report and financial statements for the year ended 30 June 2020.

The trustees have adopted the provision of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Objectives and activities

The Charitable Trust is constituted by Trust Deed, and its objects are:

To promote the benefit of the community in Blackburn (the area of benefit) and in particular without prejudice to the generality of the foregoing, the Muslim community, by associating together the Muslim people and the local authorities and other organisations in a common effort to relieve poverty and sickness, to advance the Muslim religion and to provide facilities for prayer services and for recognition and leisure-time occupation with the object of improving the conditions of life of the said community.

We review our aims, objectives and activities each year. This review looks at what was achieved and the outcomes of work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

In furtherance of the objects, but not otherwise, the trustees may exercise the following powers:-

To make provision for daily prayers, funerals and burial arrangements, marriages and other religious and social ceremonies.

To provide for Islamic Education and language teaching for the Muslim community and their children.

To co-operate in a strictly non political way with welfare agencies, voluntary organisations, local and central government departments and other agencies in furtherance of the objects and to exchange information and advice with them.

To buy, take on lease or exchange any property necessary for the achievement of the objects and to maintain, furnish for use. Subject to any consent required by law to sell, lease or dispose of all or any part of the property of the organisation.

To promote co-operation and unity among Muslim members in furtherance of the common cause and interest in Islam.

To raise funds by means of donations, gifts, legacies, grant aid from statutory authorities and other loans and fundraising events.

To establish or support any charitable trusts, associations or institutions formed for all or any of the objects.

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Financial review

The financial year ending 30 June 2020 has been one of change and challenge for the charity as we, our region and the rest of the country have got to grips with the Covid-19 pandemic and the effect that it has had on healthcare and society. Many of our plans for the year were thwarted and much of what we had hoped to work on was cancelled because of the pandemic. The most immediate impact of the pandemic was the need to cancel or postpone all planned in-person school events.

It is worthwhile at this point to cover some of the impacts which Covid-19 has had on trust since March. Even before lockdown had been considered in the UK, we were starting to feel some of the effects of the pandemic as world stock-markets reacted to the disruption to supply chains and the virus in China. Between 1 April and 30 June 2020 our funding fell by around £100k as the effects became clear. Clearly from March onwards all fundraising and outreach activities were frozen. Where possible, we have made use of the government's Coronavirus Job Retention Scheme and a number of the staff team have been furloughed for later part of the year. We have also sought to minimise our costs wherever possible.

Our financial results for the year reflect a deficit, but a situation which could have been so much worse if it were not for the efforts of our supporters, our staff team and our volunteers. Our supporters have not been able to run the events and activities that they normally would but they have come to the fore and have provided us with donations which have enabled us to keep moving forwards. Our staff team and volunteers have innovated and found new ways of working which we previously didn't think were possible and have been creative in finding new ways to reach people.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Aside from the income generated by the charity shop, the principal funding sources for the charity are currently by way of collection boxes, appeals and donation and school fees.

The trustees actively review the major risk which the charity faces on a regular basis and believe that maintaining reserves at the current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined the operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Looking forward the trust, like many charities, faces challenges and uncertainties. However, trustees believe that during 2019/20 we have continued to build strong foundations which will help us to be both more resilient and more dynamic in the future.

Plans for future periods

The charity plans continuing the activities outlined above in the forthcoming years for the benefit of the community subject to satisfactory funding arrangements.

Structure, governance and management

The organisation is a charity, established on 11 October 1969 and registered as a charity on 14 July 2000. The charity was established under a constitution of charity deed which established the objects and powers of the charity and is governed under its deed.

MASJID-E-SAJEDEEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

The trustees who served during the year and up to the date of signature of the financial statements were:

A Bobat
M A Sidat
Y Diwan
S A Desai
I Ghanchi
Y Khalifa
Y Patel
I Sedat
S Lunat
S Akuji
F Patel
S Sidat MBE
I Sidat


Appointment of trustees is governed by the Trust Deed of the charity. The board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Charity has a Management Committee of up to 13 members who meet regularly and are responsible for the strategic direction and policy of the charity. At present the committee has 13 members from a variety of backgrounds relevant to the work of charity. The Committee is lead by the chairman and the secretary also sits on the committee.

Board of Trustees continue to provide excellent services working to move the Charity forwards. They give their time freely and provide excellent advice to the Charity's management team and receive no remuneration or benefits from the charity.

The trustees' report was approved by the Board of Trustees.



S Sidat MBE
Chairman

Date: 24/3/2022

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2020

The trustees are responsible for preparing the Trustees' 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 and 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 year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 sufficient 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 Charity (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.

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

I report to the trustees on my examination of the financial statements of Masjid-e-Sajedeen, Maddresah Islamiyah & Islamiyah School (the charity) for the year ended 30 June 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 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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 ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 financial statements to be reached.

AMS Accountants Corporate Limited

Floor 2
9 Portland Street
Manchester
M1 3BE

Dated: 28 March 2022

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Notes		
<u>Income from:</u>			
Donations and legacies	2	203,794	200,483
Charitable activities	3	393,547	444,244
Total income		<u>597,341</u>	<u>644,727</u>
<u>Expenditure on:</u>			
Charitable activities	4	<u>673,684</u>	<u>705,612</u>
Net expenditure for the year/ Net movement in funds		(76,343)	(60,885)
Fund balances at 1 July 2019		<u>724,734</u>	<u>785,619</u>
Fund balances at 30 June 2020		<u><u>648,391</u></u>	<u><u>724,734</u></u>

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

All income and expenditure derive from continuing activities.

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	7		392,688		381,464
Current assets					
Debtors		1,130		-	
Cash at bank and in hand		273,503		352,619	
		<u>274,633</u>		<u>352,619</u>	
Creditors: amounts falling due within one year	8	<u>(18,930)</u>		<u>(9,349)</u>	
Net current assets			255,703		343,270
Total assets less current liabilities			<u>648,391</u>		<u>724,734</u>
Income funds					
Unrestricted funds			648,391		724,734
			<u>648,391</u>		<u>724,734</u>

The financial statements were approved by the Trustees on 27/3/2022



S Sidal MBE
Trustee

MASJID-E-SAJEDEEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Charity information

Masjid-e-Sajedeen, Madressa Islamiyah & Islamiyah School is a charitable trust registered in England and Wales. The registered office is Plane Tree Road, Blackburn, Lancashire, England, BB1 6PH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Trust Deed, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with 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 (FRS102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. 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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services and facilities are included at the value to the charity where this can be quantified. The value placed on these resources is the estimated value to the charity of service or facility received.

The value of services provided by volunteers has not been included in the accounts.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Incoming resources from charitable trading activity are accounted for when earned.

1.5 Expenditure

All expenditure is recognised and accounted for on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and cost linked to the strategic management of the charity

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis consistent with use of the resources.

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Fixtures and fittings	15% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Government grants	35,881	-
Membership fees	126,891	137,899
Donated goods and services	10,823	18,700
Other	30,199	43,884
	<u>192,794</u>	<u>200,483</u>

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

3 Charitable activities

	School fees 2020 £	School fees 2019 £
School fees	366,748	413,019
Other income	26,799	31,225
	<u>393,547</u>	<u>444,244</u>

4 Charitable activities

	2020 £	2019 £
Staff costs	479,034	486,025
Depreciation and impairment	12,375	6,703
Rates	9,796	11,583
Insurance	11,431	10,317
Light and heat	34,613	32,420
Books, fees and prizes	61,799	51,005
Printing, postage and stationery	9,696	13,325
Telephone	2,109	4,802
Repairs and maintenance	28,132	74,030
Computer running costs	12,289	7,732
Cleaning	3,977	901
Sundry expenses	6,933	2,381
Accountancy	1,500	3,298
Subscription	-	1,090
	<u>673,684</u>	<u>705,612</u>
	<u>673,684</u>	<u>705,612</u>

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

6 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	61	61
Employment costs	2020 £	2019 £
Wages and salaries	479,034	486,025

There were no employees whose annual remuneration was more than £60,000.

7 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 July 2019	317,316	179,833	497,149
Additions	-	23,599	23,599
At 30 June 2020	317,316	203,432	520,748
Depreciation and impairment			
At 1 July 2019	-	115,685	115,685
Depreciation charged in the year	-	12,375	12,375
At 30 June 2020	-	128,060	128,060
Carrying amount			
At 30 June 2020	317,316	75,372	392,688
At 30 June 2019	317,316	64,148	381,464

8 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Prepayments and accrued income	1,130	-

MASJID-E-SAJEEDEN, MADDRESAH ISLAMIYAH & ISLAMIYAH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	2,380	3,462
Other creditors	12,051	-
Accruals and deferred income	4,499	5,887
	<u>18,930</u>	<u>9,349</u>

10 Analysis of net assets between funds

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Fund balances at 30 June 2020 are represented by:		
Tangible assets	392,688	381,464
Current assets/(liabilities)	255,703	343,270
	<u>648,391</u>	<u>724,734</u>

11 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

12 Taxation

As a charity, Masjid-e-Sajedeen, Maddresah Islamiyah & Islamiyah School is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.