

**THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr B Nahle Mr H Elota Mr O Nassrallah Mr A Kanso Mr P Farhat
<b>Charity number</b>	1092240
<b>Principal address</b>	14 Brondesbury Road Kilburn London NW6 6AS
<b>Independent examiner</b>	Mohamedkazim S Bhaloo, FCCA 2nd Floor, Congress House Lyon Road Harrow Middlesex HA1 2EN
<b>Bankers</b>	Barclays Bank Plc Willesden & Notting Hill Group PO Box 3750 London NW10 6AQ

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# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

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# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MAY 2021

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The Trustees present their report and accounts for the year ended 31 May 2021. The legal and administrative information appearing on page 1 forms a part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document and the Charities Act 2011.

#### **Objectives and activities**

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

The charity's objects are

- A. To relieve poverty amongst the muslims and especially the needy orphans and widows.
- B. To provide and promote education of both a religious and secular nature amongst muslims.
- C. To provide and promote health and hygiene amongst the muslims.
- D. To promote the religion of Islam both amongst the muslims and non-muslims.
- E. To provide or assist in the provision of services to improve the welfare of the muslims, in particular the provision of counselling.
- F. In furtherance of the objects but not further or otherwise the Trustees may exercise the following powers:-
  - Raise funds by direct appeal to the public and invitation for private donation.
  - Establish information centre or centres for dissemination of information and knowledge and provide services for the educational and social needs.
  - To promote and support fellowships, scholarships, conference, seminars, study tours and similar activities in relation to the purposes of the charity.
  - To publish and promote or supply the publication and distribution of books, journals, periodicals, magazines, newspapers and other literature and including audio and video cassettes and other forms of media.
  - To provide, endow, furnish and fit out with all necessary furniture and other equipment and maintain and manage such buildings and other properties as may from time to time be required for the purpose of the Charity.
  - To purchase or otherwise acquire land of whatever tenure or such other property and to take or lease any land or other property as may be required for carrying out the purposes of the Charity.
  - To establish community centres for the social welfare of the members of the community.
  - To offer places of worship in which to carry out Islamic religious services.
  - To employ clergy to carry out Islamic services required by both the charity trust and the community.
  - To offer relief to Muslims who have suffered psychological and/or physical torture or general psychological and social distress, by supplying provisions, health care support and counselling services.
  - To launch appeals, offer relief and supply aid for Muslims where humanitarian aid is required during times of crisis caused by natural disaster, war or the threat of war causing displacement to people, activities and institutions.
  - To offer support to community based projects, which may be of benefit to Muslims.
  - Power to use as income applicable hereunder all or any of Trust Fund or accumulations of income thereof.
  - Power to decide in what manner and for what purpose the Trust Fund and the income thereof are to be applied under this Deed.
  - Power to accumulate income for as long as the law allows.
  - Power to co-operate with other persons and charitable institutions having objects of a like nature with that of the charity hereby founded.

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

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- Power to make grants of any funds to any charitable organisation or institution having similar objects and to accept as a good discharge in respect of any such funds the receipt of the treasurer or secretary for the time being of such organisation or institution.
- Power to do all such other acts and things as are necessary or expedient for the proper administration of or incidental or conducive to the attainment of the objects of the Charity.

As a result of the general guidance on public benefit, the Trustees have assessed the activities as follows:

- Arranging lectures and training courses for all age groups.
- Facilitate induction programs for non-Muslim organisations to promote better understanding and community cohesion.
- Assisting the community members with their day to day problems in dealing with the local authorities.
- Counselling on various matters to community members.
- Hosting community celebrations, ceremonies and other related activities.

#### **Achievements and performance**

In order to meet the objectives, the Trustees carried out several activities and are pleased to report the following:

- Provide a place for worship and a community centre for the community.
- In recent years there have been noticeable improvements in education, health provision, environment and community cohesion in the area where the charity operates.
- Holding regular seminars, inviting scholars from different communities promoting good relation and understanding.
- Monthly seminars on topical issues such as interfaith, religious and intellectual debates and current affairs.
- Commemoration of the martyrdom of Imam Hussein was held for 10 days in August 2020
- To arrange and hold youth programs on a regular basis.

The government guidance relating to the Covid-19 pandemic was followed to ensure safe provision of activities.

#### **Financial review**

The charity's principal activity for generating funds continued to be through the collection of donations. Incoming resources from general unrestricted funds is in line with previous years. In addition during the year there was an increase in donations in support of maintenance work on the mosque. The charity also received £37,089 of donations in respect of a fundraiser for Lebanon disaster relief which has been recognised as restricted funds. The trustees are pleased with the financial management and staff support during the year. The results of the charity's operations are on page 6 to the financial statements.

The Statement of Financial Activities and related notes show how the charity's funds have been applied during the year. The gross receipts of the charity were £124,496 (2020: £39,007). Included in this figure is income from donations of £108,680 (2020: £27,594). A breakdown of donations received in the current and comparative years can be found in the notes to the financial statements. The Trustees would like to thank donors for their continued support during the period of the Covid-19 pandemic. The charity also received income from government funds of £15,816 (2020: £11,413) in respect of Covid-19 pandemic assistance, which was utilised on support costs for the year.

The charity has made an overall surplus for the year of £56,790 (2020: £1,445), resulting in total income reserves of £4,037,011 (2020: £3,980,221) which are carried forward to forthcoming years. This is comprised of £36,963 (2020: £nil) of restricted funds and £4,000,048 (2020: £3,980,221) of unrestricted funds. A breakdown of funds is shown in the notes to the accounts.

The assets of the charity are held in the names of the holding trustees. The Trust Deed authorises the trustees to make capital investment in furtherance of the charities objectives.

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2021**

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### **Reserves policy**

The trustees consider that the charity's reserves are adequate to meet its day to day expenditure and any designated funds. Reserves are reviewed on regular basis and in the event of a shortfall the trustees have access to sufficient resources to meet any deficit. For this reason the trustees do not require a minimum level of reserves to be maintained.

### **Investment policy**

Under the constitution document, the charity has power to invest funds which are not immediately required for its purpose and which the managing trustees see fit in furtherance of the charity's objectives.

### **Risk management**

The Trustees recognise that effective risk management is essential in achieving the Charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The Charity has a risk register which is reviewed on regular basis. Appropriate processes are put in place as and when necessary that mitigate any identified risks to the health and safety of volunteers and those participating in the charity's activities. Regulatory guidelines are followed where applicable.

### **Future plans**

In addition to the objectives outlined above, the charity has additional objectives over the forthcoming 12 months period:

- To continue the renovation and expansion of the community centre so that it can accommodate members of the growing community.
- To invest in training of all volunteers in the centre to improve efficiency in all services offered at the centre.

### **Structure, governance and management**

The Charity is an unincorporated charity formed under a constitution under a deed dated 20 April 2001 and as amended by supplemental deeds dates 9 April 2002 and 13 May 2002. It has been registered with the Charities Commission under reference 1092240.

The Trustees who served during the year were:

Mr B Nahle  
Mr H Elota  
Mr O Nassrallah  
Mr A Kanso  
Mr P Farhat

### **Recruitment of new trustees**

The process of recruiting a trustee is as follows:

- The Trustees of the Trust shall number not more than five and not less than three and unless any trustee ceases to be a Trustee under the provisions following, he shall hold the office of Trustee for his lifetime.
- The power to appoint new Trustees who shall hold office for life as aforesaid shall be exercisable by the remaining Trustees.

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2021**

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### **Statement of Trustees' responsibilities**

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.

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

**Mr H Elota**

Trustee

Dated: 23 March 2022

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

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I report to the Trustees on my examination of the financial statements of The Lebanese Welfare Shia Ithna Asheri Trust (the charity) for the year ended 31 May 2021.

#### **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**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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.

**Mohamedkazim S Bhaloo, FCCA**

2nd Floor, Congress House  
Lyon Road  
Harrow  
Middlesex  
HA1 2EN

Dated: 23 March 2022

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MAY 2021**

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	2020 £
<b><u>Income and endowments from:</u></b>					
Donations	3	71,591	37,089	108,680	27,594
Other income	4	15,816	-	15,816	11,413
<b>Total income</b>		<b>87,407</b>	<b>37,089</b>	<b>124,496</b>	<b>39,007</b>
<b><u>Expenditure on:</u></b>					
Raising funds	5	-	126	126	-
Charitable activities	6	67,580	-	67,580	37,562
<b>Total resources expended</b>		<b>67,580</b>	<b>126</b>	<b>67,706</b>	<b>37,562</b>
<b>Net income for the year/ Net movement in funds</b>		<b>19,827</b>	<b>36,963</b>	<b>56,790</b>	<b>1,445</b>
Fund balances at 1 June 2020		3,980,221	-	3,980,221	3,978,776
<b>Fund balances at 31 May 2021</b>		<b>4,000,048</b>	<b>36,963</b>	<b>4,037,011</b>	<b>3,980,221</b>

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## BALANCE SHEET

AS AT 31 MAY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11	3,952,000		3,960,000	
<b>Current assets</b>					
Debtors	12	2,573		-	
Cash at bank and in hand		92,189		25,678	
		<u>94,762</u>		<u>25,678</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(9,751)</u>		<u>(5,457)</u>	
Net current assets			85,011		20,221
<b>Total assets less current liabilities</b>			<u>4,037,011</u>		<u>3,980,221</u>
<b>Income funds</b>					
Restricted funds	15	36,963		-	
Unrestricted funds	15	4,000,048		3,980,221	
		<u>4,037,011</u>		<u>3,980,221</u>	

The financial statements were approved by the Trustees on 23 March 2022

Mr H Elota  
Trustee

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MAY 2021**

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### **1 Accounting policies**

#### **Charity information**

The Lebanese Welfare Shia Ithna Asheri Trust is an unincorporated UK registered charity formed under a constitution under a Trust deed. The principal address of the charity is 14 Brondesbury Road, Kilburn, London, NW6 6AS. The charity's operations are disclosed within the Trustees' annual report.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 £.

#### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources and unrestricted funds 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.

#### **1.4 Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when received. Grants receivable are accounted for as income when the charity becomes entitled to the grant and all performance-related conditions have been met.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included as, in the opinion of the Trustees, the value of their contribution cannot be reliably estimated or quantified.

#### **1.5 Resources expended**

Expenditure is recognised 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.

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.

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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### 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 estimated residual values over their useful lives on the following bases:

Land and buildings	50 years straight line
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#### 1.7 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.

#### 1.8 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.

##### **Other financial assets**

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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.

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

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 or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### **Derecognition of financial liabilities**

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

### 2 Critical accounting estimates and judgements

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.

### 3 Donations

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations	71,591	37,089	108,680	27,594
<b>For the year ended 31 May 2020</b>	<u>27,594</u>	<u>-</u>	<u></u>	<u>27,594</u>
<b>Donations</b>				
General donations	13,649	-	13,649	13,189
Mosque donations	57,267	-	57,267	10,240
Ramadan donations	675	-	675	1,480
Muharram donations	-	-	-	2,685
Lebanon disaster relief donations	-	37,089	37,089	-
	<u>71,591</u>	<u>37,089</u>	<u>108,680</u>	<u>27,594</u>

General donations are undesignated funds.

Mosque donations includes donations given towards maintenance work on the mosque, mosque activities and directly related support costs.

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 4 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Coronavirus exceptional support grants	10,193	10,000
Income from HMRC Coronavirus Job Retention Scheme	5,623	1,413
	<u>15,816</u>	<u>11,413</u>

Other income received has been used to finance support costs during the Coronavirus pandemic.

### 5 Raising funds

	Restricted funds	Total
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	126	-
	<u>126</u>	<u>-</u>

### 6 Charitable activities

	Events and functions	Events and functions
	2021	2020
	£	£
Events and functions	863	741
Share of support costs (see note 8)	66,717	36,821
	<u>67,580</u>	<u>37,562</u>

### 7 Description of charitable activities

#### Events and functions

The charity facilitates community celebrations, ceremonies and programmes that are in the furtherance of the objectives of the charity. Details of these activities are contained within the Trustees' report.

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 8 Support costs

	Support costs £	2021 £	2020 £	Basis of allocation
Depreciation	8,000	8,000	8,000	Directly attributable
Staff costs	7,256	7,256	6,902	Directly attributable
Telephone	768	768	1,047	Directly attributable
Parking expenses	608	608	589	Directly attributable
Light and heat	776	776	4,852	Directly attributable
Repairs and maintenance	42,425	42,425	6,998	Directly attributable
Independent examiner's fee	1,800	1,800	570	Directly attributable
Insurance	2,742	2,742	4,322	Directly attributable
Sundry	2,342	2,342	3,541	Directly attributable
	<u>66,717</u>	<u>66,717</u>	<u>36,821</u>	
Analysed between				
Charitable activities	<u>66,717</u>	<u>66,717</u>	<u>36,821</u>	

### 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year and no Trustee has had their expenses met by the charity.

### 10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Employees under contracts of service	<u>1</u>	<u>1</u>

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

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 11 Tangible fixed assets

	Land and buildings £
<b>Cost or valuation</b>	
At 1 June 2020	4,000,000
At 31 May 2021	4,000,000
<b>Depreciation and impairment</b>	
At 1 June 2020	40,000
Depreciation charged in the year	8,000
At 31 May 2021	48,000
<b>Carrying amount</b>	
At 31 May 2021	3,952,000
At 31 May 2020	3,960,000

Land and buildings with a carrying amount of £800,000 were revalued at 31 May 2016 to £4,000,000 by independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The Trustees have reviewed recent market transactions and, in the opinion of the Trustees, the market value of the charity's freehold property at the year end was not materially different from the revalued amount as shown in the financial statements.

At 31 May 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £752,000 (2020: £760,000).

### 12 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	2,573	-

### 13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	603	605
Accruals and deferred income	9,148	4,852
	9,751	5,457

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 14 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.

### 15 Income funds

	Movement in funds			Movement in funds			
	Balance at 1 June 2019 £	Incoming resources £	Resources expended £	Balance at 1 June 2020 £	Incoming resources £	Resources expended £	Balance at 31 May 2021 £
General fund	776,621	39,007	(37,562)	778,066	87,407	(67,580)	797,893
Building revaluation reserve	3,200,000	-	-	3,200,000	-	-	3,200,000
Death and funeral support designated fund	2,155	-	-	2,155	-	-	2,155
Lebanon disaster relief	-	-	-	-	37,089	(126)	36,963
	<u>3,978,776</u>	<u>39,007</u>	<u>(37,562)</u>	<u>3,980,221</u>	<u>124,496</u>	<u>(67,706)</u>	<u>4,037,011</u>

#### Purpose of funds:

General funds are funds which can be used in accordance with the charitable objectives at the discretion of the trustees and management committee.

Building revaluation reserve is a fund arising from the revaluation of the freehold property.

The Death and funeral support fund is a welfare fund in respect of funeral costs and bereavement. The trustees have designated the use of these donations to this charitable purpose.

The Lebanon disaster relief fund is a fundraiser to help the victims of the disaster that occurred in Beirut on 4 August 2020, when there was a catastrophic blast. The funds will go towards helping provide essential food, shelter, medicine and any other urgent needs. This fund has been recognised as a restricted fund.

# THE LEBANESE WELFARE SHIA ITHNA ASHERI TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2021**

### 16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £
Fund balances at 31 May 2021 are represented by:				
Tangible assets	3,952,000	-	3,952,000	3,960,000
Current assets/(liabilities)	48,048	36,963	85,011	20,221
	<u>4,000,048</u>	<u>36,963</u>	<u>4,037,011</u>	<u>3,980,221</u>

### 17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).