

Charity number
1103493

Dar Ul Hadith
Unaudited Report and Financial Statements
for the year ended 31 December 2020

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Registered Office
2 Dudley Street, Manchester, M8 9DA

Dar Ul Hadith

The report of the trustees

The trustees present their report and accounts for the year ended 31 December 2020.

Name, registered office and constitution of the organisation

The full name of the unincorporated charity is Dar Ul Hadith.

| | |
|--|-------------------------------------|
| The non-profit organisation was formed on: | 28/04/2004 |
| The organisation is a registered charity. | Number 1103493 |
| The registered office is: | 2 Dudley Street, Manchester, M8 9DA |
| The telephone number is: | 1613171481 |

The Objects of the organisation and how it is attempting to achieve the objectives

The charity is governed by a written constitution in which its objects are set out .

The objectives and restrictions in the activities of the charity imposed by its governing documents are:

- (a) to promote the furtherance of the knowledge of Allah (God) as portrayed in the authentic sources of Islam via structured teachings and education.
- (b) to providing facilities for the local community in practicing Islam and improving mental health.
- (c) to provide charitable support by donating to other organisations or communities (national and international) in the furtherance of islamic education and fighting poverty.

Objectives achieved in the year, a review of activities and significant changes and developments and plans for the future

The board of trustees are satisfied with the performance of the organisation during the year and the position at 31st December 2020 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations.

The particular ways in which objectives have been achieved are describe below

Achievement of objectives and review of activities

The charity has achieved its objective of continuing to highlight the importance of sports and health education to the Community by:

- * Addressing the under performance of education in youths.
- * Encouraging activities and delivering food to the poorer members of the community.
- * Carried out information sessions on immigration and legal matters.
- * Continued to operate "drop in information centre" for the local community.

Significant changes and developments and plans for the future

Important developments during the period included the support from local community.

The charity will continue to support the community and children who require education and help improve their environment through various activities advocated by Islam.

The organisational structure and how decisions are made

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. The charity constituted by the Trust Deed dated 26 December 2013

Trustees and local community meet regularly (the intention is quarterly) to discuss and plan objectives and implementation thereof. Matters of general concern are raised with all members .

Method of election of the members of the board of trustees

The members, who are Trustees are elected and co-opted each year under the terms of the Trust Deed.

Relationships with other groups, charities and individuals

The organisation works closely with the local authorities and Partnership Agencies around Manchester in order to address under representation and support the retention of Ethnic Minor.

Details of related parties and transactions with related parties

There were no transactions with related parties.

Transactions and Financial position

The financial accounts are set out on pages 6 to 11. The financial statements have been prepared implementing the Charities Act 2011 issued by the Charity Commission for England and Wales and in accordance with the Financial Reporting Standard 102 (Charities SORP). The trustees consider the financial performance by the organisation during the year has been satisfactory.

The Statement of Financial Activities show net outgoing resources for the year of a revenue expenditure nature of £292,140 (expenses) and net realised incoming resources of a £378,866 (income). The total reserves at the year end stand at £136,745 (accumulated funds c/f).

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the organisation's assets are available and adequate to fulfil its obligations

Policies on reserves, investment policies and investment performance

The trustees have resolved to establish reserves to provide for future activities, and the trustees estimate the reserves shall cover any emergency for three to six months.

The grant making policies

The intention is to utilise the income from the funds to make grants and donations to various charities and causes known to the Trustees or in respect of which Trustees may receive specific applications. In certain cases capital sums may be distributed as well to good causes.

The major risks to which the organisation is exposed and reviews and systems to mitigate risks

The organisation is exposed to risks involved in fundraising because its activities are supported by the local community, grants and donations. There are no investment risks.

1. Financial

The organisation is open to the usual financial risks of any organisation, and it has introduced controls to minimise these risks, such as two signatures being required for payments from the bank account. In addition, the accounts are regularly explained to members of the charity and are open for member's inspection at any time.

2. Other

Work with the public is open to risks. The policy is that visits and counselling is done in pairs or

Legal Status

The organisation is an unincorporated charity governed by a written constitution adopted by its members. There are restrictions in the way it is governed and operates.

The members of the Board of Trustees during the year ended were:

David A Stonehous

Imad E Aimenghawi

We wish to thank all committee members and staff team who served the charity during the year.

Bankers

Lloyds Bank, Manchester

Independent Examiners under the Charities Act and details of their qualifications

Shahbaz Munir (FCCA)

Adam & Co Accountancy Ltd

Chartered Certified Accountants

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- * Select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * observe the methods and principles in the Charities SORP;

- * state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 organisation will continue to operate.

The trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the organisation and which enable them to ascertain the financial position of the organisation and enable them to ensure that the financial statements comply with the requirements of applicable law and regulations (Charities Act 2011 and SORP). They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions in the Charities Act 2011 and SORP applicable to charities subject to the small entities regime.

This report was approved by the board of trustees on 14/10/2021

Dar UI Hadith
Independent Examiner's Report

Report of the Independent Examiner to the Trustees
on the accounts of the Charity for the year ended 31 December 2020

Respective responsibilities of trustees and examiner

The trustees (who are also the administrators of the charity for the purposes of charity law) are responsible for the preparation of the accounts.

The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

examine the accounts under section 145 of the Charities Act, to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records.

It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention to indicate that:

- accounting records have not been kept in accordance with Charities Act 2011
- the accounts do not accord with such records:
- where accounts are prepared on an accruals basis, whether they fail to comply with relevant accounting requirements and, or are not consistent with the Charities SORP (FRS102)
- any matter which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the accounts.

Mr Shahbaz Munir (FCCA)

Adam & Co Accountancy Ltd

Chartered Certified Accountants

This report was approved by the Independent Examiner on..... 14/10/2021

Dar Ul Hadith
Statement of Financial Activities
for the year ended 31 December 2020

| | | Unrestricted Funds | Restricted Funds | Total Funds | Prior Period Total Funds |
|--|------------------|-------------------------------|-----------------------------|------------------------|-------------------------------------|
| | Notes | 2020 £ | 2020 £ | 2020 £ | 2019 £ |
| Incoming Resources | | | | | |
| Grants, Legacies and Donations | | 378,866 | - | 378,866 | 229,287 |
| Total Incoming Resources | | 378,866 | - | 378,866 | 229,287 |
| Less: Costs of raising and generating funds | | 248,322 | - | 248,322 | 180,238 |
| Net Incoming Resources available for charitable applications | A | 130,544 | - | 130,544 | 49,049 |
| Less: Resources expended | | | | | |
| Management and administration of the charity | | 43,818 | - | 43,818 | 49,163 |
| Total Resources expended | B | 43,818 | - | 43,818 | 49,163 |
| Net Incoming Resources before Transfers (ie Total A minus Total B) | C | 86,726 | - | 86,726 | (114) |
| Gross Transfers between funds :- | 13 | - | - | - | - |
| Net Incoming Resources before revaluations and investment asset disposals | | 86,726 | - | 86,726 | (114) |
| Net Movement in funds (deficit)/surplus | | 86,726 | - | 86,726 | (114) |
| Total funds brought forward | (previous years) | 50,019 | - | 50,019 | 50,133 |
| Total funds carried forward | (current years) | 136,745 | - | 136,745 | 50,019 |
| | | | | - | - |

The net movement in funds referred to above is the net incoming resources as defined in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales and is reconciled to the total funds as shown in the Balance Sheet on page 8 as required by the said Statement.

All activities derive from continuing operations

The notes and schedule to the Statement of Financial Activities on pages 8 to 11 form an integral part of these accounts

Dar Ul Hadith
Statement of Financial Activities
for the year ended 31 December 2020

Statement of Total Recognised Gains and Losses
for the year ended 31 December 2020

| | 2020 | 2019 |
|--|---------------|--------------|
| | £ | £ |
| Excess of Expenditure over income before realisation of assets | 86,726 | (114) |
| Net Movement in funds before taxation | 86,726 | (114) |

There were no recognised gains or losses for the year or the prior year that are not included above.

Movements in revenue and capital funds
for the year ended 31 December 2020

| Revenue accumulated fund | Unrestricted Funds | Restricted Funds | Total Funds | Last year Total Funds |
|----------------------------------|--------------------|------------------|----------------|-----------------------|
| | 2020 | 2020 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Accumulated fund brought forward | 50,019 | - | 50,019 | 50,133 |
| Recognised gains and losses | 86,726 | - | 86,726 | (114) |
| Closing Accumulated fund | 136,745 | - | 136,745 | 50,019 |

| Summary of funds | Designated Funds | Unrestricted Funds | Restricted Funds | Total Funds | Last year Total Funds |
|--------------------|------------------|--------------------|------------------|----------------|-----------------------|
| | 2020 | 2020 | 2020 | 2020 | 2019 |
| | £ | £ | £ | £ | £ |
| Revenue funds | - | 136,745 | - | 136,745 | 50,019 |
| Total funds | - | 136,745 | - | 136,745 | 50,019 |

If upon winding up or dissolution of the company there remain any assets, after the satisfaction of all its debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having objects similar to the objects of the charity.

The notes and schedule to the Statement of Financial Activities on pages 8 to 11 form an integral part of these accounts

**Dar UI Hadith
Balance Sheet
as at 31 December 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|----------------|---------------|
| Fixed assets | | | |
| Tangible assets | 8 | 35,911 | 40,043 |
| Current assets | | | |
| Debtors | 9 | 8,636 | - |
| Cash at bank and in hand | 11 | 93,498 | 10,626 |
| | | <u>102,134</u> | <u>10,626</u> |
| Creditors: amounts due within one year | 10 | <u>(1,300)</u> | <u>(650)</u> |
| | | <u>(1,300)</u> | <u>(650)</u> |
| Net current assets | | 100,834 | 9,976 |
| Net assets | | <u>136,745</u> | <u>50,019</u> |
| Capital and reserves | 12 | | |
| Unrestricted revenue reserves | | 136,745 | 50,019 |
| Accumulated Funds | | <u>136,745</u> | <u>50,019</u> |
| | | - | - |

The Board of Trustees are satisfied that the organisation is not required to have an audit by virtue of its level of turnover or by virtue of any requirement under its constitution or otherwise.

The Board of Trustees also acknowledge their responsibility for ensuring the organisation keeps proper accounting records in accordance with the requirements of the Charities Act 2011 as more fully set out under 'Trustees' Responsibilities' in the Report of the Trustees.

Approved for signature by the Management Committee on:
14/10/2021

The notes and schedule to the Statement of Financial Activities on pages 8 to 11 form an integral part of these accounts

Dar Ul Hadith
Notes to the Accounts
for the year ended 31 December 2020

1 Accounting policies

Accounts preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities Act 2011.

The charity is entirely dependent on continuing donations and as a consequence the going concern basis is also dependent on the continuing donations.

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared, on a going concern basis, accrual basis under the historical cost convention as modified by the revaluation of freehold land and buildings and fixed asset investments

Incoming Resources

Incoming resources are accounted for on a receivable basis deferred as described below where appropriate.

Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objects of the charity and comprises the following :-

Costs of raising and generating funds

The costs of raising and generating funds includes fees incurred in respect of management fees.

Grants and donations payable in furtherance of the charity's objectives

Although there is no legal liability to pay any grant or donation to any organisation , and after approval, it is open to the board to withdraw an approval already granted , either before or after payment of a grant or donation,

Activities in furtherance of the charity's objectives

The costs of activities in furtherance of the charity's objectives represents the cost of goods and services and ancillary trading costs that have been incurred in charitable activities.

Management and administration of the charity

Management and administration costs represent expenditure incurred in the management of the charity's assets, organisational administration and compliance with charitable and statutory requirements.

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

3 Analysis of incoming resources and analysis of management and administration costs

The details required by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective March 2005), are shown in the Statement of Financial Activities and also analysed on page 12.

Dar Ul Hadith
Notes to the Accounts
for the year ended 31 December 2020

| | | |
|---|----------------|----------------|
| 4 Donations and income generated in connection with the Char | 2020 | 2019 |
| | £ | £ |
| Included in the various categories of incoming resources- SOFA | 378,866 | 229,287 |
| <i>(See page 11 for analysis of sources of income).</i> | | |
| 5 Costs of activities in furtherance of the charity's objectives | 2020 | 2019 |
| | £ | £ |
| Total per analysis by expenditure in the schedule to the SOFA | 292,140 | 229,287 |
| <i>(See page 11 for analysis of sources of expenditure).</i> | | |
| 6 Staff Costs and Emoluments | 2020 | 2019 |
| <i>Included in Costs of goods and services -books</i> | £ | £ |
| Gross salaries and wages | 119,225 | 111,342 |
| Pension contributions | 641 | 597 |
| | <u>119,866</u> | <u>111,939</u> |
| Numbers of full time employees or full time equivalents | 2020 | 2019 |
| Engaged on charitable activities | <u>14</u> | <u>14</u> |
| <i>There were no employees with emoluments in excess of £50,000 per annum</i> | | |
| 7 Cost of Independent Examiner and accounting services | 2020 | 2019 |
| | £ | £ |
| Independent Examiner fees | <u>650</u> | <u>650</u> |

Dar Ul Hadith
Notes to the Accounts
for the year ended 31 December 2020

8 Tangible functional fixed assets

| | Leasehold improvement and building £ | Computer and office equipment £ | Plant and machinery £ | Total £ |
|--------------------------|---|--|-----------------------------|------------|
| Cost or valuation | | | | |
| At 1 Jan.2019 | 61,689 | 4,888 | 8,216 | 74,793 |
| Additions | 2,566 | 1,222 | 354 | 4,142 |
| At 31 Dec.2019 | 64,255 | 6,110 | 8,570 | 78,935 |
| Depreciation | | | | |
| At 1 Jan.2019 | 27,054 | 3,682 | 4,014 | 34,750 |
| Charge for the year | 7,144 | 1,283 | (153) | 8,274 |
| At 31 Dec.2019 | 34,198 | 4,965 | 3,861 | 43,024 |
| Net book value | | | | |
| At 31 Dec.2019 | 30,057 | 1,145 | 4,709 | 35,911 |
| At 31 Dec.2018 | 34,635 | 1,206 | 4,202 | 40,043 |

All assets are used for direct charitable purposes and there are no inalienable or historic assets.

9a Analysis of assets and liabilities representing each of the charity's funds

| | | | | |
|--|-------------------------------|-----------------------------|-----------------------------|------------------------|
| as at 31 December 2020 (Current year as per statements) | Unrestricted funds | Designated funds | Restricted funds | Total Funds |
| | £ | £ | £ | £ |
| Current Assets (Debtors + Bank) | 93,498 | - | - | 93,498 |
| Current Liabilities (Accruals) | (1,300) | - | - | (1,300) |
| | 92,198 | - | - | 92,198 |
| as at 31 December 2019 (Previous year as per statements) | Unrestricted funds | Designated funds | Restricted funds | Total Funds |
| | £ | £ | £ | £ |
| Current Assets (Debtors + Bank) | 10,626 | - | - | 10,626 |
| Current Liabilities (Accruals) | (650) | - | - | (650) |
| | 9,976 | - | - | 9,976 |

| | | |
|-------------------|-------------|-------------|
| 9b Debtors | 2020 | 2019 |
| | £ | £ |
| Trade debtors | 8,636 | - |

| | | |
|--|-------------|-------------|
| 10 Creditors: amounts falling due within one year | 2020 | 2019 |
| | £ | £ |
| Accruals and sundry creditors | 1,300 | 650 |

| | | |
|---|-------------|-------------|
| 11 Bank balance | 2020 | 2019 |
| | £ | £ |
| Balance as per bank statements and cash account | 93,498 | 10,626 |

| | | |
|--------------------------------|-------------|-------------|
| 12 Capital and reserves | 2020 | 2019 |
| | £ | £ |
| Unrestricted revenue reserves | 136,745 | 50,019 |
| | 136,745 | 50,019 |

13 Related party

There were no related party transactions.

Dar Ul Hadith
Schedule to the Statement of Financial Activities
for the year ended 31 December 2020

| | <i>Unrestricted Funds</i> | <i>Restricted Funds</i> | <i>Total Funds</i> | <i>Unrestricted Total Funds</i> |
|---|---------------------------|-------------------------|--------------------|---------------------------------|
| | 2020 | 2020 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Incoming Resources | | | | |
| Grants, Legacies and Donations | | | | |
| Donations | 90,761 | - | 90,761 | 89,320 |
| Quran School | 43,567 | - | 43,567 | 30,842 |
| Tuition Club | 101,814 | - | 101,814 | 25,395 |
| Saturday School | 15,980 | - | 15,980 | 59,617 |
| Zakatul Maal | 8,081 | - | 8,081 | 5,583 |
| Interest, books, Islamic studies and kids ramadan | 989 | - | 989 | - |
| Zakatul Fitr | 1,786 | - | 1,786 | 259 |
| Fidya | 817 | - | 817 | 147 |
| Adult Quran/Arabic class | 24,514 | - | 24,514 | 306 |
| Other revenue | 20,988 | - | 20,988 | 17,818 |
| Government grants (furlough) | 69,569 | - | 69,569 | - |
| Total Grants, Legacies & Donations Received | 378,866 | - | 378,866 | 229,287 |
| Costs of activities in furtherance of the charity's objectives | | | | |
| Cost of fundraising activities - direct expenses | 109,654 | - | 109,654 | 30,381 |
| Grants payable in furtherance of the charity's objectives | 7,814 | - | 7,814 | 24,062 |
| Support costs (salaries and wages) | 119,225 | - | 119,225 | 111,342 |
| Costs of goods and services -books | 3,355 | - | 3,355 | 5,277 |
| Depreciation of assets used for charitable purposes | 8,274 | - | 8,274 | 9,176 |
| | 248,322 | - | 248,322 | 180,238 |
| Support costs of activities | | | | |
| Marketing of services | 544 | - | 544 | 168 |
| Employee costs: | | | | |
| Pension contributions | 641 | - | 641 | 597 |
| Travel and subsistence | 282 | - | 282 | 316 |
| Motor Expenses | 766 | - | 766 | 804 |
| | 2,233 | - | 2,233 | 1,885 |
| Premises costs: | | | | |
| Rates and water | 370 | - | 370 | 809 |
| Rents and room hire | 4,800 | - | 4,800 | 4,800 |
| Light, Heat, and other Utilities | 8,669 | - | 8,669 | 9,458 |
| Cleaning | 1,969 | - | 1,969 | 2,740 |
| | 15,808 | - | 15,808 | 17,807 |
| General administrative expenses: | | | | |
| Telephone and Fax | 1,000 | - | 1,000 | 483 |
| Postage, freight and courier | 88 | - | 88 | 236 |
| Stationery, subs. and printing | 8,524 | - | 8,524 | 5,050 |
| Software and IT consumables | 4,130 | - | 4,130 | 1,099 |
| Repairs and maintenance | 5,856 | - | 5,856 | 19,342 |
| Sundry expenses | 411 | - | 411 | - |
| Bank charges, stripe and paypal fees | 2,808 | - | 2,808 | 149 |
| | 22,817 | - | 22,817 | 26,359 |
| Legal and professional costs: | | | | |
| Insurance | 1,947 | - | 1,947 | 1,862 |
| Legal expenses and transfers | 363 | - | 363 | 600 |
| Independent examiner's fee | 650 | - | 650 | 650 |
| | 2,960 | - | 2,960 | 3,112 |
| Total spent on all activities | 292,140 | - | 292,140 | 229,401 |
| Surplus / (deficit) for the year | 86,726 | - | 86,726 | (114) |