

Report of the Trustees and
Financial Statements for the Year Ended 31 July 2020
for
Morden Islamic Centre

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for the Year Ended 31 July 2020

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Reference and Administrative Details
for the Year Ended 31 July 2020

TRUSTEES

H A Aziz (Chairman)
M A Dosani
Y Bobat

PRINCIPAL ADDRESS

116 London Road
Morden
Surrey
SM4 5AX

REGISTERED CHARITY NUMBER 1112379

INDEPENDENT EXAMINER

Girach & Mannan Ltd
Chartered Certified Accountants
1 Mychell House, Pincott Road
Wimbledon
London
SW19 2NN

Report of the Trustees
for the Year Ended 31 July 2020

The trustees present their report with the financial statements of the charity for the year ended 31 July 2020. 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the charity as set out in its governing document are as follows.

1. The advancement of education among children and young people from Muslim communities in the London Borough of Merton and surrounding areas by the provision of facilities for supplementary lessons and additional tuition.
2. The advancement of the Islamic faith by such exclusively charitable means as the trustees shall from time to time determine.

The trustees review the aims and objectives to ensure that they are in line with the public benefit of the community. In conducting this review, the trustees have considered Charity Commission's general guidance on public benefit.

Significant activities

In addition to the provision of daily prayer and congregation facilities, the charity is continuing to provide social welfare through a food bank operative under Morden Islamic Centre with the support of Merton Council for the most vulnerable members of the community.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Throughout the year the charity maintained the centre to achieve its objectives and the Trustees are satisfied with the overall performance of the charity.

The charity provided praying, educational and recreational facilities to the local community and also helped various registered charities in the United Kingdom with donations to achieve its objectives. Just like last year, the gym is very popular in the community and charitable kitchen services for the homeless and needy are also organized on regular basis.

In addition to the above, MICC liaised with other charities and organisations and helped spread the word about events that families could enjoy as a whole and particularly for the children and teenagers such as funfairs, reading clubs, swimming lessons, sports activities and games days.

These achievements are always backed by generous donors, excellent team and volunteers who help the charity throughout the year.

FINANCIAL REVIEW

Principal funding sources

The principal source of funding is through voluntary donations from donors within the local community.

Reserves policy

The trustees regularly review the reserves of the charity. The policy is to hold enough reserves to meet three to four months operating costs.

The reserve funds do not include fixed assets or other tangible assets the financial position of the charity appears to be steady and secure.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Morden Islamic centre is a charitable trust registered with the charities commission on 02 December 2005 under charity registration number 1112379. It is governed by a deed of trust dated 15th July 2005 as amended by supplemental deed dated 13th November 2005.

Organisational structure

The board of trustees oversee the running of the charity on a day to day basis. All operational decisions are made at board meetings which are held frequently throughout the year. The trustees of the charity do not receive any remuneration or financial benefit for their services.

Approved by order of the board of trustees on 18th May 2021 and signed on its behalf by:



.....
H A Aziz - Trustee

Independent Examiner's Report to the Trustees of
Morden Islamic Centre

Independent examiner's report to the trustees of Morden Islamic Centre

I report to the charity trustees on my examination of the accounts of Morden Islamic Centre (the Trust) for the year ended 31 July 2020.

Responsibilities and basis of report

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

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.



Zeeshan Mannan - FCCA
Girach & Mannan Ltd
Chartered Certified Accountants
1 Mychell House, Pincott Road
Wimbledon
London
SW19 2NN

Date: 21/05/21

• Morden Islamic Centre

Statement of Financial Activities
for the Year Ended 31 July 2020

	Notes	Unrestricted funds £	Restricted fund £	31.7.20 Total funds £	31.7.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		258,431	73,967	332,398	259,533
Other activities	2	7,635	36,627	44,262	56,620
Rents Received		<u>51,500</u>	<u>-</u>	<u>51,500</u>	<u>56,967</u>
Other Income – JRS Grant		32,239	-	32,239	410,000
Total		349,805	110,594	460,399	783,120
EXPENDITURE ON					
Charitable activities					
Charitable Causes		322,472	99,640	422,112	377,912
Evening School		-	42,459	42,459	7,264
Gym Maintenance		530	-	530	1,530
Total		323,002	142,099	465,101	386,706
NET INCOME/(EXPENDITURE)		26,803	(31,505)	(4,702)	396,414
RECONCILIATION OF FUNDS					
Total funds brought forward		780,446	5,467	785,913	389,499
Transfer Between Funds (Unrestricted to Restricted)		(27,154)	27,154	-	-
TOTAL FUNDS CARRIED FORWARD		<u>780,095</u>	<u>1,116</u>	<u>781,211</u>	<u>785,913</u>

The notes form part of these financial statements

Balance Sheet
31 July 2020

	Notes	Unrestricted funds £	Restricted fund £	31.7.20 Total funds £	31.7.19 Total funds £
FIXED ASSETS					
Tangible assets	6	32,095	-	32,095	31,054
CURRENT ASSETS					
Debtors	7	397,887	-	397,887	438,906
Cash at bank		<u>358,173</u>	<u>1,116</u>	<u>359,289</u>	<u>320,191</u>
		756,060	1,116	757,176	759,097
CREDITORS					
Amounts falling due within one year	8	(8,060)	-	(7,112)	(4,238)
NET CURRENT ASSETS		<u>748,000</u>	<u>1,116</u>	<u>749,116</u>	<u>754,859</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>780,095</u>	<u>1,116</u>	<u>781,211</u>	<u>785,913</u>
NET ASSETS		<u>780,095</u>	<u>1,116</u>	<u>781,211</u>	<u>785,913</u>
FUNDS	9				
Unrestricted funds:					
General Funds				780,095	780,446
Restricted funds:					
Sadka, Zakat & School Funds				<u>1,116</u>	<u>5,467</u>
TOTAL FUNDS				<u>781,211</u>	<u>785,913</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 18th May 2021 and were signed on its behalf by:



.....
H A Aziz - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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) (effective 1 January 2015)', 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.

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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on cost

Taxation

The charity is exempt from tax on account of its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

• Morden Islamic Centre

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

2. OTHER ACTIVITIES

	31.7.20	31.7.19
	£	£
Gym Membership Fee	7,635	8,870
Evening School Contributions	<u>36,627</u>	<u>47,750</u>
	<u>44,262</u>	<u>56,620</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2020 nor for the year ended 31 July 2019.

There were no trustees' expenses paid for the year ended 31 July 2020 nor for the year ended 31 July 2019.

4. STAFF COSTS

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

	31.7.20	31.7.19
Administrative Staff	2	2
Imams	2	2
Teachers	<u>9</u>	<u>11</u>
	<u>13</u>	<u>15</u>

No employees received emoluments in excess of £60,000.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	258,431	73,967	295,719
Other activities	7,635	36,627	44,262
Rents Received	51,500	-	51,500
Other Income – JRS Grant	<u>32,239</u>	<u>-</u>	<u>32,239</u>
Total	349,805	110,594	460,399
EXPENDITURE ON			
Charitable activities			
Charitable Causes	322,472	99,640	422,112
Evening School	-	42,459	42,459
Gym Maintenance	530	-	530
	<u>323,002</u>	<u>142,099</u>	<u>465,101</u>
Total	323,002	142,099	465,101

* Morden Islamic Centre

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
NET INCOME	26,803	(31,505)	(4,702)
RECONCILIATION OF FUNDS			
Total funds brought forward	780,446	5,467	785,913
Transfer Between Funds (Unrestricted to Restricted)	(27,154)	27,154	-
TOTAL FUNDS CARRIED FORWARD	<u>780,095</u>	<u>1,116</u>	<u>781,211</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 August 2019	10,000	20,208	846	31,054
Additions	<u>-</u>	<u>7,053</u>	<u>1,558</u>	<u>8,611</u>
At 31 July 2020	<u>10,000</u>	<u>27,261</u>	<u>2,404</u>	<u>39,665</u>
DEPRECIATION				
At 1 August 2019	-	17,316	2,618	19,934
Charge for year	<u>-</u>	<u>6,816</u>	<u>754</u>	<u>7,569</u>
At 31 July 2020	<u>-</u>	<u>24,132</u>	<u>3,372</u>	<u>27,503</u>
DISPOSAL				
At 31 July 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE				
At 31 July 2020	<u>10,000</u>	<u>20,445</u>	<u>1,650</u>	<u>32,095</u>
At 31 July 2019	<u>10,000</u>	<u>20,208</u>	<u>846</u>	<u>31,054</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

7. DEBTORS

	31.7.20 £	31.7.19 £
Amounts falling due within one year:		
Prepayments	<u>-</u>	<u>10,806</u>
Amounts falling due after more than one year:		
Loan to staff	<u>17,000</u>	<u>12,000</u>
Other Debtors	<u>380,887</u>	<u>416,000</u>
Aggregate amounts	<u>397,887</u>	<u>438,906</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.20 £	31.7.19 £
Trade creditors	966	2,082
Taxation and social security	(770)	(344)
Other Creditors	<u>7,864</u>	<u>2,500</u>
	<u>8,060</u>	<u>3,368</u>

9. MOVEMENT IN FUNDS

	At 1.8.19 £	Net movement in funds £	At 31.7.20 £
Unrestricted funds			
General Funds	780,446	(351)	780,095
Restricted funds			
Sadka, Zakat & School Funds	5,467	(4,351)	1,116
TOTAL FUNDS	<u>785,913</u>	<u>(4,702)</u>	<u>781,211</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Transfers £	Movement in funds £
Unrestricted funds				
General Funds	349,805	(323,002)	(27,154)	(351)
Restricted funds				
Sadka, Zakat & School Funds	110,594	(142,099)	27,154	(4,351)
TOTAL FUNDS	460,399	<u>(465,101)</u>	<u></u>	<u>(4,702)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

9. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.18 £	Net movement in funds £	At 31.7.19 £
Unrestricted funds			
General Funds	376,092	404,354	780,446
Restricted funds			
Sadka, Zakat & School Funds	13,407	(7,940)	5,467
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>389,499</u>	<u>396,414</u>	<u>785,913</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Funds	696,750	(292,396)	404,354
Restricted funds			
Sadka, Zakat & School Funds	86,370	(94,310)	(7,940)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>783,120</u>	<u>(386,706)</u>	<u>396,414</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2020.

11. OTHER DEBTORS

Included in other debtors is £375,000 loaned for the acquisition of property for charity's use. Legal charges have been registered against the property in favour of Morden Islamic Centre.

• Morden Islamic Centre

Detailed Statement of Financial Activities
for the Year Ended 31 July 2020

	31.7.20 £	31.7.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Zakat Sadka & Fitrana Donation	29,166	34,745
Donations	221,752	132,408
Gift aid	36,679	23,115
Friday Collection	<u>44,801</u>	<u>69,265</u>
	332,398	259,533
Other activities		
Gym Membership Fee	7,635	8,870
Evening School Contributions	<u>36,627</u>	<u>47,750</u>
	44,262	56,620
Rents Received		
Hall hire	-	1,240
Rents Received	<u>51,500</u>	<u>55,727</u>
	<u>51,500</u>	<u>56,967</u>
Other Income		
Worcester Park Project	-	410,000
JRS Grant	32,239	-
Total incoming resources	460,399	783,120
EXPENDITURE		
Charitable activities		
Staff Wages and Teachers Costs	94,691	85,769
Social security	5,856	5,862
Rates and water	6,722	4,115
Insurance	12,392	14,394
Light and heat	10,431	12,845
Community Events	4,678	4,436
Donations to UK Charities UnRestricted Funds	-	250
Evening School	2,516	3,909
Gym Maintenance	845	1,530
Lift Maintenance	3,395	3,586
Cleaning	4,902	21,151
Repairs & Maintenance	88,694	27,260
Caretaker Wages	12,000	18,773
Travel	572	-
Fire & Safety	338	571
Carried forward	248,032	204,451

• Morden Islamic Centre

Detailed Statement of Financial Activities
for the Year Ended 31 July 2020

	31.7.20 £	31.7.19 £
Charitable activities		
Brought forward	248,032	204,451
Ramadan & Hospitality Costs	5,276	23,419
Donations to UK Charities Restricted Funds	99,694	40,871
Waste Management	288	931
Charitable Kitchen	7,280	3,981
Funeral Services	-	2,450
Staff Training	-	673
	<u>360,570</u>	<u>276,776</u>
Management Costs		
Wages	36,000	45,037
Telephone	1,639	1,721
Postage and stationery	936	617
Books	801	-
Sundries	2,003	1,172
Computer Costs	431	357
Staff Costs	168	343
Professional fees	179	-
Payroll Costs	1,524	1,140
Letting & Management Fee-Flats	720	660
Service Charges	-	4,100
Rent	<u>50,000</u>	<u>50,000</u>
	<u>94,401</u>	<u>105,147</u>
Finance		
Bank charges	61	1
Fixtures and fittings	6,815	1,736
Computer equipment	<u>754</u>	<u>546</u>
	<u>7,630</u>	<u>2,283</u>
Governance costs		
Accountancy and legal fees	<u>2,500</u>	<u>2,500</u>
Total resources expended	<u>465,101</u>	<u>386,706</u>
Net (expenditure)/income	<u>(4,702)</u>	<u>396,414</u>

This page does not form part of the statutory financial statements