

The Shah Jalal Islamic Foundation
Report and Accounts
For The Year Ended 31 March 2021

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Trustees Report for the year ended 31 March 2021

Reference and administration details

Charity name	The Shah Jalal Islamic Foundation
Registered charity number	1114714
Principal address	25 Carshalton Road Sutton Surrey SM1 4LF

Managing charity trustees

N Islam	Chairman
S A Ahmed	Vice Chairman
M A Sayestha	General Secretary
S Islam	Joint Secretary
M Uddin	Treasurer
S Akther	Assistant Treasurer
E Ali	Executive Committee member
S Miah	Executive Committee member
A Sahid	Executive Committee member
N Miah	Executive Committee member
Z Ahmed	Executive Committee member
M B Esak	Executive Committee member
G K Chowdhury (appointed 12 October 2020)	Executive Committee member

Custodian charity trustees

N Islam	Chairman
M A Sayestha	General Secretary
M Uddin	Treasurer
E Ali	Executive Committee member

The custodian charity trustees hold the freehold property on behalf of the Charity.

Structure, governance and management

Type of governing document	Constitution adopted 5 October 2003
How the charity is constituted	Association
Trustee selection methods	Elected by membership at the Annual General Meeting

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Objectives and activities

Summary of the objects of the Charity set out in its governing document

The Foundation's objects are to promote and establish Islam, particularly for the benefit of the Muslim community in the London Borough of Sutton and the areas of Banstead, Kingswood, Epsom and Ewell in Surrey.

In carrying out their review of our objectives, the trustees have considered the Charity Commission's general guidance on public benefit and in particular, its supplementary public guidance on the advancement of religion for the public benefit.

The trustees consider that the following activities would provide benefit to those who worship at our mosque and the wider Muslim and non-Muslim communities.

Summary of the main activities undertaken for the public benefit in relation to these objects

The Foundation carried out its objects by the following means:-

- (a) Jam'aath, namely, Islamic congregations for Da'wah activities and Ta'alim, formal and informal prayers, discussions and other religious and social activities.
- (b) Ta'alim, namely teaching the Holy Qur'an and the Sunnah and the Islamic laws, its requirements and prohibitions and educating people in the Islamic ways of life, society, family, its doctrines and practices and the tolerance of and interaction with different faiths and beliefs.
- (c) Da'wah activities, namely, the propagation of Islam and its meaning and the message in the UK and throughout the world.
- (d) Providing and maintaining a mosque and madrasah (educational institution).
- (e) Establishing an Islamic library.
- (f) To give help to the poor and needy and to establish the Islamic ways of Charity in the UK and throughout the world.

Achievements and performance

The Foundation continued to carry out its Jam'aath and Ta'alim activities to the local Muslim communities.

In particular, the main achievements of the Charity during the year continued to be congregational prayers. During the week, we had about two hundred people attending Friday prayers. Also, we started classes for ladies only to provide teaching on Qur'anic recitation and understanding and on the washing of dead bodies for funeral prayers and Islamic burial.

With the onset of the COVID-19 pandemic, ladies classes were discontinued, and the only activity of the Charity going forward continued to be the congregational prayers subject to coronavirus regulations.

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Financial Review and Going Concern

The surplus of income over expenditure for the year fell to £17,364 (2020: £42,722) due mainly to a fall in donations to £37,331 (2020: £67,418).

Net assets at year-end increased to £667,967 (2020: £650,603) due mainly to a rise in Cash at bank and in hand to £164,365 (2020: £144,553).

The Foundation does not have a policy on reserves.

The COVID-19 pandemic caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) reached the UK in late January 2020. On 26 March 2020, a National Lockdown came into effect, requiring the Charity to close the mosque immediately. On 23 June 2020, lockdown restrictions were relaxed by imposing social distancing rules. On 14 October 2020, a three-tier system of COVID-19 restrictions came into effect to replace the National Lockdown. On 5 November 2020, a second National Lockdown came into effect, which was lifted on 2 December 2020 with a stricter three-tier system of COVID-19 restrictions. On 21 December 2020, stricter restrictions came into effect for London with a new Tier 4. On 6 January 2021, a third National Lockdown came into effect. On 29 March 2021, "stay at home" orders ended, but people were encouraged to stay local. On 12 April 2021, public buildings reopened, but social distancing rules continued to apply to all settings. Finally, on 21 June 2021, all legal limits on social contact were removed.

The cumulative effect of the COVID-19 pandemic and coronavirus regulations was a severe loss in donation income directly from the mosque's closure, reduced attendance, and indirectly from the negative impact on local donors' incomes.



We undertook several actions to mitigate the loss in donation income posed by the COVID-19 pandemic during the year. First, we closed the mosque to the public when required by law and put all the social distancing and enhanced health and safety measures required to ensure that the mosque could safely open and remain open to the public when allowed under lockdown first second-tier regulations. In addition, we claimed government grants under the Coronavirus Job Retention Scheme that allowed us to retain the services of our two Imams furloughed due to the effect of coronavirus (COVID-19) on the Charity's operations by covering a portion of their usual monthly wages.

As a result, the financial impact of the COVID-19 pandemic on Charity funds was minimised, and the Charity continues to operate as a going concern.

Declaration

The trustees declare that they have approved the trustees' Report above.

Signed on behalf of the Charity's trustees

Signature(s)		
Full name(s)	NURUL ISLAM	M.A. SAYESTHA
Position	CHAIRMAN	G. SECRETARY
Date	17/9/21	17/9/2021

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Independent examiner's Report
on the accounts for the year ended 31 March 2021

I report to the trustees on my examination of the accounts of the above Charity ("the Trust") for the year ended 31 March 2021 set out on pages 7 to 15.

Responsibilities and basis of the Report

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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act, and in carrying out my examination, I have followed all the applicable Directions given by the Charities Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

- The accounting records were not kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did 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 to enable a proper understanding of the accounts to be reached.

Signed:



Date:

24/9/2021

S A Rahman

Member of Institute of Chartered Accountants in England and Wales
and Chartered Institute of Taxation
23 Holland Avenue
Cheam, Sutton
Surrey
SM2 6HW

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Statement of Financial Activities for the year ended 31 March 2021

Incoming resources	Unrestricted funds	Total this year	Total last year
	£	£	£
<u>Incoming resources (Note 3)</u>			
<i>Income and endowments from:</i>			
Donations and legacies	37,331	37,331	67,418
Separate material item of income	9,004	9,004	557
Total	46,335	46,335	67,975
<u>Resources expended (Note 4)</u>			
<i>Expenditure on:</i>			
Charitable activities	28,971	28,971	25,253
Total	28,971	28,971	25,253
Net income	17,364	17,364	42,722
Net movement in funds	17,364	17,364	42,722
Total funds brought forward	650,603	650,603	607,881
Total funds carried forward	667,967	667,967	650,603

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Balance Sheet as at 31 March 2021



	Note	Unrestricted funds £	Total this year £	Total last year £
<u>Fixed assets</u>				
Tangible assets	9	505,646	505,646	507,391
Total fixed assets		505,646	505,646	507,391
<u>Current assets</u>				
Debtors	10	696	696	1,306
Cash at bank and in hand	12	164,365	164,365	144,553
Total current assets		165,061	165,061	145,859
Creditors: amounts falling due within 1 year	11	2,740	2,740	2,647
Net current assets		162,321	162,321	143,212
Net assets		667,967	667,967	650,603
<u>Funds of the Charity</u>				
Unrestricted funds		667,967	667,967	650,603
Total funds		667,967	667,967	650,603

Signed by one or two trustees on behalf of all the trustees

Signature

Name

Date of approval

	M.A. SAIFUR RAHMAN	17/9/2021
	NURUL ISLAM	17/9/21

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Notes to the accounts for the year ended 31 March 2021

1 Basis of preparation

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with the Statement of Recommended Practice: 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) issued on 16 July 2014 and with the Charities Act 2011.

1.2 Going concern

There are no material uncertainties related to events or conditions that cast significant doubt on the Charity's ability to continue as a going concern.

1.3 Change of accounting policy

The accounts present a true and fair view, and the accounting policies adopted are those outlined in note 2.

1.4 Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period.

1.5 Material prior year adjustments

No material prior year error has been identified in the reporting period.

2 Accounting policies

Income

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the Charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met.

Government grants

The Charity has received government grants in the reporting period.

Tax reclaims on donations and gifts

Gift Aid received is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

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2 Accounting policies

Expenditure and liabilities

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the Charity to pay out resources, and the amount of the obligation can be measured with reasonable certainty.

Governance costs

Governance costs comprise all costs involving public accountability of the Charity and its compliance with regulation and good practice.

Creditors

The Charity has creditors, which are measured at settlement amounts less any trade discounts.

Assets

Tangible fixed assets for use by the Charity

These are capitalised if they can be used for more than one year and cost at least £500. They are valued at cost.

The depreciation rates and methods used are disclosed in Note 10.2.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the Charity. Subsequently, they are measured at the cash or other consideration expected to be received.

3 Analysis of income

	This year		Last year
	Unrestricted funds	Total funds	
	£	Total	£
Donations and gifts	37,331	37,331	67,418
Donations and legacies	37,331	37,331	67,418
Coronavirus Job Retention Scheme Grant	9,004	9,004	557
Separate material item of income	9,004	9,004	557
Total Income	46,335	46,335	67,975

All income in the last year was unrestricted.

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4 Analysis of receipts of government grants

		This year £	Last year £
Coronavirus Job Retention Scheme Grant	Grant to employers to cover a portion of the usual monthly wages for employees furloughed due to the effect of coronavirus (COVID-19) on the Charity's operations	9,004	557
Total		9,004	557

5 Analysis of expenditure

	This year		Last year	
	Unrestricted funds	Total funds	Unrestricted Funds	Total funds
	£	£		
Accountancy	830	830	580	580
Bank charges	131	131	352	352
Cleaning	1,324	1,324	193	193
Depreciation	1,745	1,745	2,098	2,098
Insurance	1,025	1,025	962	962
Interest on overdue tax	135	135		
Legal and professional	-	-	840	840
Light and heat	3,088	3,088	2,949	2,949
Rates	635	635	625	625
Repairs	-	-	439	439
Wages	19,701	19,701	15,296	15,296
Water rates	357	357	919	919
Total expenditure on charitable activities	28,971	28,971	25,253	25,253
Total expenditure	28,971	28,971	25,253	25,253

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6 Details of certain items of expenditure

6.1 Fees for the examination of the accounts

	This year £	Last year £
Independent examiner's fees	400	400
Other fees paid to the independent examiner	430	180

7 Paid employees

7.1 Staff costs

	This year £	Last year £
Salaries and wages	19,526	16,082
Social security costs	(37)	(1,023)
Pension costs (defined contribution scheme)	212	237
Total staff costs	19,701	15,296

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

7.2 Average headcount in the year

	This year #	Last year #
Charitable activities	2	2

8 Defined contribution pension scheme

	This year £	Last year £
Amount of contributions recognised in the SOFA as an expense	212	237

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9 Transactions with trustees and related parties

9.1 Trustee remuneration and benefits

None of the trustees has been paid any remuneration or received any other benefits from employment with their Charity or a related entity.

9.2 Trustees' expenses

No trustee expenses have been incurred.

9.3 Transactions with related parties

There have been no related party transactions in the reporting period.

10 Tangible fixed assets

10.1 Cost or valuation

	Freehold land & buildings £	Plant, machinery and motor vehicles £	Total £
Balance brought forward	505,646	10,492	516,138
Balance carried forward	505,646	10,492	516,138

10.2 Depreciation or impairments

*Straight-line basis
20% rate*

Balance brought forward	-	8,747	8,747
Depreciation		1,745	1,745
Balance carried forward	-	10,492	10,492

10.3 Net book value

Brought forward	505,646	1,745	507,391
Carried forward	505,646	-	505,646

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11 Debtors and prepayments

	Amounts falling due within 1 year	
	This year	Last year
	£	£
Other debtors	-	636
Prepayments	696	631
Trade debtors	-	39
	696	1,306

12 Creditors and accruals

12.1 Analysis of creditors

	Amounts falling due within 1 year	
	This year	Last year
	£	£
Trade creditors	959	813
Taxation and social security	1,781	1,834
	2,740	2,647

13 Cash at bank and in hand

	This year	Last year
	£	£
Cash at bank and on hand	164,365	144,553
Total	164,365	144,553

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14 Events after the end of the reporting period

The COVID-19 pandemic caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) reached the UK in late January 2020. On 26 March 2020, a National Lockdown came into effect, requiring the Charity to close the mosque immediately. On 23 June 2020, lockdown restrictions were relaxed by imposing social distancing rules. On 14 October 2020, a three-tier system of COVID-19 restrictions came into effect to replace the National Lockdown. On 5 November 2020, a second National Lockdown came into effect, which was lifted on 2 December 2020 with a stricter three-tier system of COVID-19 restrictions. On 21 December 2020, stricter restrictions came into effect for London with a new Tier 4. On 6 January 2021, a third National Lockdown came into effect. On 29 March 2021, "stay at home" orders ended, but people were encouraged to stay local. On 12 April 2021, public buildings reopened, but social distancing rules continued to apply to all settings. Finally, on 21 June 2021, all legal limits on social contact were removed.

Removal of all legal limits on social contact from 21 June 2021 is expected to boost donation income directly from increased attendance. However, it is uncertain whether the indirect negative economic impact of the coronavirus regulations on the incomes of local donors will similarly reverse on the removal of social distancing rules.

Therefore, it is not possible to estimate the financial effect on the Charity of the removal of all legal limits on social contact from 21 June 2021.