

EAST LONDON MOSQUE TRUST

(A Company Limited by Guarantee)

Company Number: 00468317 • Charity Registration Number: 1122613

TRUSTEES' ANNUAL REPORT, STRATEGIC REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ABACUS PARTNERS (LDN) LLP

CHARTERED CERTIFIED ACCOUNTANTS & STATUTORY AUDITORS
UNIT A, ABBOTTS WHARF, 93 STAINSBY ROAD, LONDON E14 6JL

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CORPORATE DETAILS

Registered Name	East London Mosque Trust
Working Names	East London Mosque London Muslim Centre
Company Number	00468317
Charity Number	1122613
Trustees (Directors) <i>(on the date the report was approved)</i>	Ayub Khan – <i>Chairman</i> Abdul-Hayee Murshad – <i>Honorary Secretary</i> Syed Tohel Ahmed – <i>Treasurer</i> Abdullah Faliq Harun Rashid Khan Hussain Muhammad Shefaar Ibrahim Ian Thompson Mahera Ruby Muhammad Habibur Rahman Ruhana Ali Salma Siddiqua Sayeda Anzumara Begum
Registered Office	82–92 Whitechapel Road, London, E1 1JQ
Statutory Auditors	Abacus Partners (Ldn) LLP, Unit A, Abbotts Wharf, 93 Stainsby Road, London, E14 6JL
Main Bankers	HSBC, 1-3 Bishopsgate, London EC2N 3AQ Al Rayan Bank, 24A Calthorpe Road, Birmingham B15 1RP Barclays Bank Plc, Leicester LE87 2BB
Solicitors	Lee Bolton Monier-Williams Solicitors, 1 The Sanctuary, London SW1P 3JT Lincoln's Chambers Solicitors, 108a Whitechapel Road, London E1 1JE

TRUSTEES' ANNUAL REPORT

OBJECTS AND PUBLIC BENEFIT

The objects of the East London Mosque Trust ('Trust'), as set out in its Articles of Association, are to:

- 1) advance the Islamic faith for the benefit of the public by maintaining and managing a community centre and mosque in London;
- 2) advance education and to provide facilities in the interests of social welfare for recreation and leisure-time occupation with the object of improving the conditions of life for the general public, and in particular the Muslim community, and;
- 3) promote such other charitable purposes as may from time to time be determined.

In pursuance of these objects, the Trust hosts a range of services and activities for the benefit of the public.

ACTIVITIES

The Trust continued to deliver a wide range of services for Muslims and non-Muslims, often in partnership with other relevant organisations and charities.

This reporting period is the first complete year with no Covid-19 disruptions since the pandemic began. Worshippers returned to the mosque in large numbers while services delivered by the Trust continued without disruptions. Services in Ramadan returned to normal, especially with Iftar meals being provided to over 30,000 people for free. The Trust facilitated collections for 103 UK-registered charities for causes in the UK and abroad, raising over £490k (£345k more than the previous year).

Since its launch, the Dome and Phase 3 Appeal has raised approximately £0.5m. Full planning permission for the dome was granted in late 2022. A review of the specification and design has been initiated to bring the project closer to budget. The cost of delivering this project has increased with the rising cost of building materials. We are hopeful that contractors can be appointed in late September 2023.

The works to the ground floor extension re-started in February 2023 and is expected to be completed by December 2023.

The Trust has continued partnership work with a number of partner organisations to provide support to refugees. Help has been provided with basic needs such as food, clothing, and medication. The Trust has also provided information and guidance as appropriate.

The Trust places strong emphasis on building relationships with others so we can work together for the common good, holding several post-pandemic events, including an interfaith iftar gathering, Islamophobia Awareness seminar, Mosque Open days, and opportunities to network.

Volunteering

The Trust benefits greatly from dedicated, committed volunteers, from those helping with collections, to members and trustees helping to drive the organisation forward. They provide stewarding for Friday prayers, Ramadan, Eid, and other special occasions, and provide support for charity collections. Volunteers have also been essential in delivering programmes for refugees and the running of food banks. Over 150 volunteers contribute time estimated to be worth around £120,000 per year.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The trust measures success in several ways, such as through satisfaction surveys, fundraising targets, and educational outcomes.

Religious Projects and Services

Prayer Facilities

This year has seen a return to normal service for the use of the facilities of the East London Mosque Trust (ELMT). The Mosque was open to the public every day of the year for all the daily prayers, with congregations returning to pre-pandemic levels for Jumu'ah, in the well-maintained, accessible spaces of the East London Mosque and adjoining London Muslim Centre and Maryam Centre. Our khutbahs (sermons) on Friday continue to be delivered by our Head Imam (in Arabic, English and Bangla) and Senior Imam (in Arabic and English) on alternate weeks. Guest Imams in the last year included: Shaykh Dr Ahmed Essa El Mawasari, Shaykh Abdur Rashid Sufi.

There is British Sign Language interpretation for the khutbahs on Fridays and Eid days, available on screens across the Mosque complex. The East London Mosque's sermons and Islamic circles have a global reach, especially within the Bangladeshi diaspora.

Religious Teaching

Religious teachings are provided through daily lectures from the main prayer hall of the Mosque every week. In total there are more than 20 courses of religious knowledge delivered within the complex to all ages, every week. The promotion of Islamic teachings helps prevent misunderstanding and aids the spiritual and academic growth of patrons in a safe environment. Most lectures are streamed live.

Ramadan & Eid

Fasting began on Saturday 2 April 2022, and completed after 30 days. The theme chosen for this year, 'Count Our Blessings', recognised our need to be grateful to Allah, especially in the wake of the Covid pandemic. 'From The Pulpit – Ramadan Talks' were delivered by our Imams and guest speakers every day. To prepare worshippers for the month of Ramadan, the East London Mosque organised four days of pre-Ramadan talks on the theme 'Ramadan – The Ultimate Season of Good Deeds'. Eid al-Fitr was on Monday 2 May 2022, and 'Eid al-Adha was on Saturday 9 July 2022, with operations back to normal after two years of pandemic restrictions. On both occasions, there were five congregations.

Funerals

London's oldest Muslim funeral service, Taslim Funerals, is based in the East London Mosque complex. They catered for 524 burials in this period, which included special prayers in the main prayer halls, usually after the midday prayer.

Compulsory and Other Education

The Trust offers full and part-time education.

Al-Mizan School & London East Academy

Al-Mizan School is a full-time junior school for girls and boys, and London East Academy (LEA) is a full-time secondary school for boys. Both schools operate under one headteacher, and a single governing body which is a committee of the Trust. As with other independent schools, recruiting good, qualified teachers and school leaders remains a challenge but nevertheless a priority. There has been a strong demand for school places leading to record levels of pupil recruitment. The governing body appointed the interim headteacher as the permanent headteacher from September 2022.

The GCSE results for 2022 reflected the post-pandemic return to exam-based grading, which nationally was lower than the previous two years: 93% of students achieved 5 GCSEs (including English and Maths) at grade 4 or higher (national was 73.2%); 67% of students achieved 5 GCSEs (including English and Maths) at

grade 5 or higher; similarly, 67% achieved grade 5 or higher in the EBacc; 20% of students achieved 5 GCSEs (including English and Maths) at grade 7 (equivalent to former grade A) or higher.

In the first SATs since the pandemic, year 6 students had an overall pass rate of 67%, which is above the national average of 59%. In Spelling Punctuation And Grammar (SPAG) students scored above 90%.

Supplementary Education

The ELM Evening Madrasah now operates eight classes with over 120 students having previously dropped to six classes with 82 students due to the pandemic. At the end of the academic year there was a very successful award ceremony, greatly appreciated by parents.

The London Iqra Institute (a project of London Education Trust) operates from the fifth floor of the Maryam Centre, specialising in structured Islamic courses for children aged six and above, and some courses for adults. The ELMT supports several other educational projects based in its complex that includes Rainbow House, Saturday Islamic School, Hornafric Development Association, and Al Qalam Madrasah.

Social Welfare

The Trust provides a range of welfare services directly and through supported projects.

Religious Advice and Support

The Mosque's Imams give advice and guidance on religious matters, on issues such as marriage, inheritance, family, and financial matters, with typically well over a hundred enquiries every day. The enquiries are mainly in person or via telephone. However, Imams also deal with email enquiries.

The Trust provides subsidised office space to Al Ihsan Marriage & Family Advice Service, which provides a marriage introduction and advice service, and organises public lectures on marriage in the Muslim community.

Food Bank

Established during the first pandemic lockdown, we saw a rise in clients as other food banks disbanded, and realised there was an ongoing need for our food bank. We means-test and review individual circumstances to filter eligible clients. We continued supplying basic food items, with support from Islamic Relief UK as a partner in the winter food drive, providing over 300 families with essentials. ELMT staff and volunteers provide food packages for both Muslims and non-Muslims in Tower Hamlets

Vaccination support

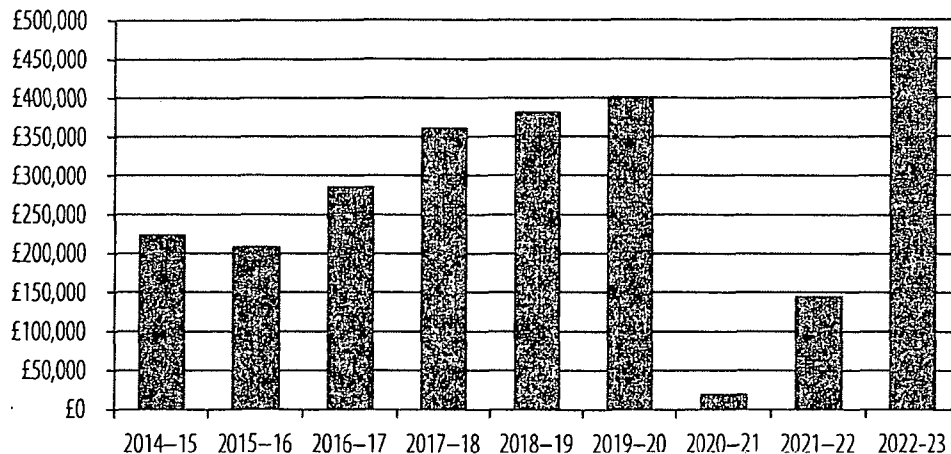
The ELMT continued to promote the vaccination programme and hosted a vaccination service in the LMC main hall until the end of August 2022, initially once each week, then later for two days a week on Mondays and Tuesdays.

Support for refugees

Following our emergency support two years ago, for refugees who had arrived in the local area, the ELMT has continued to work with Islamic Relief UK and the local council as part of a multi-agency partnership, to coordinate further support throughout the year.

Supporting charitable causes

External charity collections for this reporting period were the highest in the Trust's history. Over £490k was raised on behalf of 103 UK charities – £345k more than the previous year. The Covid pandemic had a profoundly detrimental impact on external charity collections. With 2022-23 being the first full year with no pandemic restrictions, UK charities were able to benefit from the generosity of worshippers visiting the Trust.



Women-only services

The Trust hosts over 20 female user groups every week, covering all ages and from different backgrounds, such as the London Saturday Circle, the Tafseer Class, the Friday Youth Circle, and the New Muslims Circle. Most are based in the Maryam Centre, which has excellent female prayer facilities, classes, and seminars for women. The Trust continues to offer a professional counselling service for women. Our frontline staff are trained as 'Violence against women and girls' champions, and to support women facing domestic violence. A record 9,143 women sought support over the course of the year.

Support for new Muslims

New Muslims have continued to benefit from the services run by the Mosque and its partners through weekly programmes, one-to-one learning, and social gatherings.

Services for the elderly

The senior citizens resumed their exercise and social sessions after the pandemic by slowly getting back into the mosque to meet fortnightly. As well as addressing isolation and loneliness, the project supports people with mental health issues by helping them overcome low self-esteem and other challenges. Through funding from Faith Action Health Partnership grant, the Project Co-ordinator was able to support the 25 participants with the help of volunteers. Senior citizens would meet and receive health awareness advice through games and leisure activities. It is also an opportunity to engage in story telling sessions before having a healthy lunch. They also enjoyed a trip through London on an Open tour bus and stopped at the London Central Mosque for prayers and Lunch.

Community Cohesion

The ELMT works actively to forge stronger relationships and alliances with interfaith groups, civic society and wider society through engagement programmes and activities throughout the year.

Open Days and Tea & Tour

The Trust facilitates regular open days and exhibitions in partnership with the Islam Awareness Project (IAP), with the aim to improve community relations and remove misunderstandings about Islam and Muslims. This year we organised two open days, receiving over 1,000 non-Muslim visitors, many of whom gave positive feedback. Also, regular Tea & Tour sessions for non-Muslim visitors are arranged by the volunteers of IAP on the last weekend of every month.

Islam Awareness Courses (CPD Accredited)

The cultural diversity programme for non-Muslim professionals remains a unique and an important service that has reached hundreds of professionals from diverse backgrounds since the first course delivered in 2013. This year the team running the programme rebranded the project as 'Faith in Diversity,' drawing inspiration from the success of our 'Faith in Health' initiative. As part of our rebranding efforts, a brand-new website has been

launched that seamlessly integrates with the ELM website. Nine full-day courses have been delivered, including one free taster session. Our largest client, Tower Hamlets Primary Care Mental Health Service, has committed to training 100 staff members. The Trust has also provided training for the London Fire Brigade and the Metropolitan Police, with plans to deliver more sessions throughout 2023.

Visit My Mosque

The visit my mosque day was held in September this year. There was a steady flow of people visiting the mosque and enjoying the guided tours and exhibition, not to mention, the tea and cake. This year's tour included a special Quran exhibition and 'Ted talk' style faith talks with special guest Dr Muhammad A. S. Abdel Haleem, a prominent translator of the Quran. The special Quran exhibition was a display of 9th and 12th century Quran and manuscripts.

Educational Tours & Visits

The Visits Team received many requests for visits and tours from schools and colleges, including many bookings from institutions and universities from abroad. The team has been busy this year taking back-to-back tours throughout the week. This year there were 74 school visits and 40 tours. There were some cancellations due to TfL strikes but all in all schools were busy with requests and we even accommodated school assemblies too.

Baraka Khan Visitor Gallery

The Baraka Khan Visitor Gallery (BKVG), on the first floor of the Maryam Centre overlooking the prayer hall, is a legacy initiative of the Baraka Khan Foundation that seeks to raise funds, improve engagement, and open doors to those who want to know more about Islam. The Trust occasionally holds special public presentations with renowned experts from the business, healthcare, and financial sectors. By bringing leading thinkers and the Muslim community together, these discussions contribute to sharing ideas, and offer knowledge for the benefit of the community.

Tackling Racism and Islamophobia

The Trust has been working with anti-racist organisations to challenge racism and Islamophobia, and organised and supported several events throughout the year. The Trust is a member of Tower Hamlets Interfaith Forum, which provides a platform for different faith groups to discuss issues of common interest and concerns and to promote cohesion between various faith communities. The forum meets every two months, and is led by a small steering group, where the Trust is represented by our Head of Programmes & Maryam Centre. The Trust is a founding member of the Faiths Forum for London (FFL). It empowers religious communities to work together towards a better London. Central and regional bodies seek advice from FFL on issues affecting faith communities.

As part of the Islamophobia Awareness Month, the Trust organised an event on, 'The Bosnian state, and the Muslim population, under attack again', with Peter Osborne and Bosnian Ambassador Vanja Filipović. Around 200 participants attended the event.

Special Events & Notable Visitors

Throughout the year, the Trust organised several special events and hosted dozens of notable visitors.

On Friday 15th July 2022, the Trust marked the 27th memorial of the Srebrenica Genocide. Earlier in the week, a banner was unfurled at the front of the Mosque depicting the 'Srebrenica flower', which represents the day on which the genocide began (11th July 1995). On Monday 11th July, coinciding with the funeral and memorial taking place in Srebrenica, a special address by the Grand Mufti of Bosnia and Herzegovina, Dr Husein Kavazović, was published and shared with English-speaking audiences in the UK and Europe.

The memorial event took place at the London Muslim Centre with guests from the community, which also included a survivor from a Bosnian Serb-run concentration camp.

Over 200 people attended a special programme in December at the London Muslim Centre, drawing attention to the dire situation faced by Uyghur Muslims in China.

Physicians Across Continents in partnership with the Trust organised My Mosque Clinics where more than 400 people were given advice on how to improve their health by doctors and nurses.

Public Relations

The Trust continues to facilitate many journalists and news broadcasters. In the past year, the Trust has been featured in broadcast, print and online media, including BBC News, ITV, iNews, MyLondon, The Huffington Post, East London Advertiser, The Tablet, Arab News, The New Arab, and Morocco World News.

The website plays an important role in explaining the work and services of the Trust, providing news and details of events, and raising funds through appeals. The Trust's website provides news and information for our community and helps to raise funds through appeals. For the year 1st Apr 2022 to 31st Mar 2023 there were 20,215,888 page views, with the most popular use being to check prayer times. The website is also used by thousands every week for the audio and video streams, including the Adhan for all the daily prayers, and most of the talks from the main prayer hall, especially the Friday khutbah.

For the same period, online donations through the website, including Gift Aid, and restricted funds such as Zakah, amounted to £0.67m, up from previous year's £0.58m. The website performed particularly well in Ramadan 2023, bringing in a record £0.33m (£0.26m the previous year), which includes Zakah and Zakat al-Fitr. The website brings in further revenue by serving adverts for almost all the page views, with the advertisers purchasing space directly from our fundraising team

The Trust's Facebook page has over 341,000 followers. The page is regularly updated with information on fundraising activities, services, announcements, and media statements. Enquiries directed to the Trust via Facebook and Instagram messages are also responded to, and advice given to users. The Trust's Twitter account now has over 14,800 followers while its YouTube channel has continued to grow significantly. The site has recorded a total lifetime 7.9 million views, 2.1 million views within last year and 58,200 subscribers. The Trust's Instagram account has grown to 23,500 followers; and its TikTok channel, has over 26,600 followers.

Premises

Phase 3 & ELM dome

The Dome and Phase 3 appeal raised £0.29m in donations in 2022-23. Some donors continue to pay in instalments over several years, using standing orders and direct debits. Full planning permission for the dome was granted in late 2022. The Dome project was sent out for tender and four official tenders were received. Unfortunately, all the tenders came in considerably over budget due to the rising cost of building materials. This has resulted in a review of the specification and design to bring the project closer to budget. We are hopeful that contractors can be appointed in late September 2023.

The works to the ground floor extension re-started in February 2023 and is scheduled to be completed in December 2023. We are looking forward to starting Ramadan, in 2024, with a larger, merged, prayer hall and increased space for worshippers. The enlarged hall will be fully airconditioned for the comfort of our worshippers.

Security

The Trust is constantly at potential risk from criminal damage, burglary, theft, arson, and hate crimes. In some circumstances, the safety of staff, volunteers, users, and visitors could be in jeopardy. Any breach of security may have an impact on the running of the Trust. It follows that all reasonable measures should be taken to enhance security. To this end, risk assessments are conducted at least annually. Where appropriate, expert advice has been sought to determine security risks and precautions required to deal with these potential threats. The Trust is in regular contact with the police.

Maintaining a secure and efficient IT infrastructure is a key priority for the Trust. To ensure that its IT systems is up to date and resilient against cyberattacks, the Trust engaged IT consultants to identify vulnerabilities as well as identify ways to enhance its usability, reliability, and efficiency.

Staff and volunteers are provided with sufficient resources, information, and training to implement the security procedures, which are reviewed regularly. The Security Team provides 24/7 security cover for our buildings, which acts as a deterrent, and is reassuring for staff, volunteers, and users. Members of the Security Team are SIA qualified, and their core duties include opening and closing of the buildings, monitoring CCTV, signposting, implementing access/exits restrictions, recording and reporting incidents (including to the police), as well as carrying out internal and external patrols throughout the day and night. Security is increased during high profile visits by dignitaries to the Mosque and Centre, also for Ramadan night-time prayers and Eid prayers.

Governance and Administration

The Strategic Plan 2020–24 is guiding the ELMT's priorities. The review of staffing continued, covering the reception, security, premises, maintenance, and events teams. The ELMT's policies and procedures are kept under regular review by the Governance, Compliance & Audit Committee.

Fundraising, Income Generation, and Investment Performance

The ELMT's income in 2022-23 came mainly from donations, investment income and school fees. The income rose substantially to £5.11m, compared to £4.39m in 2021-22. However, the expenditure also grew considerably to £4.39m, up from £3.56m in 2021-22.

The Dome and Phase 3 appeal raised £0.29m in donations in 2022-23. However, some of the donors have chosen to pay in instalments over several years, using standing orders and direct debits. The website and digital fundraising income was consistent with the previous year, at £0.25m, which represents a 300% return on investment.

Income from hall hire also increased to £0.21m (£0.19m in 2021-22), benefiting from the continuation of the Covid19 vaccination clinics.

The ELMT investment properties, valued at £16.10m, comprise a portfolio of freehold and leasehold assets within and outside the Mosque complex. These assets generated a rental income of £0.95m this year (£0.86m in 2021-22) yielding a return of 5.87%, a slight improvement on the previous year.

One of the properties in Northampton was sold at the end of July 2023, with a return of approx. 30%. The sale of the remaining property is anticipated to be in the next couple of months.

The Trust made a substantial investment in Matz Medical, a supplier to the NHS. Unfortunately, this investment did not materialise as Matz Medical went into administration. Subsequently, it emerged that the Trust and other investors might have been victims of fraud. The issue was reported to the Charity Commission (CC) as a serious incident.

The ELMT and Sama Ventures Ltd formed a joint venture (SV7 Ltd) to invest in a planning gain investment. This investment is projected to generate a return in mid-2024.

PLANS FOR THE FUTURE

Governance and Administration

1. Arrange for external review of policies and procedures to ensure a strong governance structure.
2. Continue with the annual training programme for trustees.
3. Further strengthen with succession planning for trustees and members, building capacity and improving processes to increase diversity, ensuring a broad range of skills, and improving compliance.
4. Complete review of staffing and departmental structure.
5. Appointment of a Chief Executive Officer.

Fundraising and Income Generation

6. Maintain net income of the Trust at a sustainable £0.5m per annum.
7. Diversify fundraising strategies to increase income generation and reduce Qard Hasana.
8. Develop further better use of internet and social media streams through digital fundraising.

Projects and Services

9. Complete the review of all supplementary education for children.
10. Revive the youth forum to build relationships between young people and the Mosque and find ways to offer social and recreational opportunities for young people in an Islamic environment.
11. Develop a structured, holistic approach to promoting family values and tackling family break-up.
12. Continue to improve opportunities for researchers by developing the Trust's archive service.

Assets & Premises

13. Further improvements to the IT infrastructure and security.
14. Complete the Phase 3 extension.
15. Begin replacement of the dome and enhancement of minarets and main entrance.

FINANCIAL REVIEW

Performance

The ELMT raised £1.58m through donations (£1.32m in 2021-22). Income from charitable activities increased to £1.94m (£1.46m in 2021-22). Investment income increased to £0.94m (£0.89m in 2021-22) and income from fundraising activities also increased, to £0.60m (£0.55m in 2021-22). There is a deficit of £0.23m in this year when the impairment in investment is taken into account.

Restricted income includes donations received for specified projects and income for the full-time schools and evening madrasah.

Reserves

The total unrestricted reserves of the charity were £36.20m at 31st March 2023. Of this, £0.24m is regarded as immediately available free reserves, with the remainder being tied up in assets. This falls short of the target Reserves as per the Trust's policy. The Trust has an action in place to restore the reserves to target levels, primarily through sale of investment properties.

The reserves policy is to ensure that the Trust is able to meet its short-term operational costs in an event where income drops to an unsustainable low. It is currently operating to service at least two months of liabilities, which is £0.71m. The Board of Trustees considers the reserve policy to be adequate, as the giving tradition is strong in such a faith-based organisation, with regular income received from the investments.

Staff Remuneration

The remuneration committee agreed an overall 4% increase to the pay scale for 2023-24. The National Minimum Wage increased by 9.7% which will benefit those on the lower end of the pay scale.

Investment Policy

The ELMT operates an investment policy with the objective to grow its assets so that financial gains can be used to further its aims and objectives as well as meeting its cost centres. The Board of Trustees are responsible for reviewing the overall financial position of the charity through budgets, management accounts and cash flow forecasts, paying particular attention to short-term and long-term financial commitments. All investments must be ethically sound and do not conflict with Islamic values, nor with the aims and ethos of the ELMT.

All other cash reserves are held in bank accounts, and any bank interest received are allocated to the welfare fund, consistent with Islamic guidelines on the treatment of interest. Any profits from the deposits at Al-Rayan Bank are included in the ELMT's main fund.

Principal Uncertainties, Risks and Management

The Trust identifies and monitors risks in the areas of compliance, reputation, financial management, governance, and operations, and puts in place measures to mitigate these risks, especially those deemed as major. These measures, backed by regular review, ensure strong protection of the charity.

Amongst the key measures the Trust has in place are:

- DBS checks whenever appropriate for staff, volunteers, and trustees.
- scrutiny of policies and procedures by the Governance, Compliance and Audit Committee.
- regular monitoring by trustees of the reserves policy and the risk register.
- all suitable insurance policies.
- 24/7 security guards based in the Trust's premises.

The Trust's booking process and policy for speakers helps to mitigate reputational risks. The Trust robustly challenges any misleading or malicious media reports. It has enhanced its due diligence procedures.

Security is kept continuously under review. The Trust employs 24/7 security guards and maintains close contacts with the local police force and other agencies, such as the Tension Monitoring Group.

Independent Auditor

An independent audit was carried out by Abacus Partners (Ldn) LLP, Chartered Certified Accountants & Registered Auditors. The auditor is deemed to have been re-appointed in accordance with section 487 of the companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The East London Mosque Trust is a company limited by guarantee. Its Articles of Association were last updated in 2020. Ten trustees are elected by the Trust's membership from amongst themselves every two years. The elected trustees may appoint up to five additional trustees whose expertise may benefit the Trust. Trustees are the company directors for the purpose of company law. Trustees do not receive any remuneration.

A trustee induction procedure outlines steps for vetting trustees, key documents that are considered essential, and expectations for appropriate training. The Board of Trustees typically meets every six weeks; in this reporting period, they met 29 times. The large number of meetings were required to deal with the Matz Medical investment. It has established three principal committees for effective governance:

- Executive Committee
- Governance, Compliance & Audit Committee
- Schools' Governing Body

The Trust considers the Executive Committee (currently consisting of the Trust's Chairman, Honorary Secretary, Treasurer, another trustee and four senior members of staff) to be the key management personnel. The delegation of decisions to committees is outlined in terms of references, and to staff in job descriptions. The Board of Trustees retains ultimate oversight of financial controls, the management of risks, significant developments, and in ensuring the Trust operates in accordance with its Articles of Association, charity law and other legal requirements, and best practice.

The Trust has a subsidiary, the ELMT Waqf, to make investments. The Trust cooperates with other charities and organisations where this will help deliver its objects to its beneficiaries, with due regard to any conflicts of interest.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of East London Mosque Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 2015 (FRS102);
- make judgments 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 not appropriate to assume that the charitable company will continue in operation.

The Board of Trustees is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and to enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director/trustee at the date of approval of this report confirms that:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' Annual Report and the Strategic Report were approved by the Board of Trustees (in their capacity as company directors) on 2 September 2023 and signed on its behalf by:


Ayub Khan
Chairman


Abdul-Hayee Murshad
Honorary Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EAST LONDON MOSQUE TRUST FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of The East London Mosque Trust for the year ended 31st March 2023, which comprise the statement of financial activities, the Statement of Financial Position, the statement of cash flows, and the related Notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emphasis of matter – Investment in Matz Medical Limited

Users should refer to Note 30 of the financial statements, which explains the significant financial loss in the year, due to an irrecoverable investment.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We sought clarity on the Trust's legally enforceable capital commitments to help conclude on this, as it was considered the largest risk to going concern. Based on this, and other work we have performed, we have not identified any material uncertainties relating to events or conditions that cast doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so consider whether the other information is

materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, including the Strategic Report, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the Trustees Annual Report, including the Strategic Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Trustees Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of our planning process:

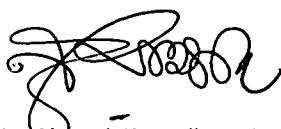
- We enquired of management and staff the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there were any known instances of suspected or alleged fraud
- We obtained an understanding of the various legal and regulatory frameworks under which the charity operates, and made the necessary enquiries of management to understand if there were any major areas of non-compliance
- We considered incentives and opportunities that exist within the charity, including management bias, to present the potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly

The key procedures we undertook to detect irregularities and misstatements including fraud, included:

- Testing revenue and revenue recognition for evidence of management bias, across all revenue streams, including within the schools
- Verifying the existence and status of investments held by the Trust, as well as making an assessment of impairment where relevant
- Verifying the existence of bank balances
- Performing a physical verification of key assets, and title to those assets
- Reviewing minutes of Trustee meetings, to identify any information that may have not been reflected in the accounting records
- Testing for the existence of related party transactions
- Testing for the existence of expenditure by the charity, and in the case of payroll costs, the existence of a sample of staff within those costs

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Acts 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as body, for our audit work, for this report, or for the opinion we have formed.



Mr Nur Ahmed Chowdhury (Senior Statutory Auditor)
For and on behalf of Abacus Partners (Ldn) LLP
Statutory Auditor
Unit A, Abbots Wharf
93 Stainsby Road
London E14 6JL

Date: 2nd September 2023

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY (INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
<u>Incoming Resources</u>					
Donations and Legacies	3	1,576,889	2,025	1,578,914	1,316,287
Activities for Generating Funds	4	604,783	-	604,783	546,771
Investment Income	5	945,046	-	945,046	885,141
Income from Charitable Activities	6	269,048	1,667,055	1,936,103	1,456,062
Others Incoming Resources	7	46,916	-	46,916	189,741
Total Incoming Resources		3,442,682	1,669,080	5,111,762	4,394,002
<u>Resources Expended</u>					
Fundraising Costs	8	266,484	-	266,484	210,664
Investment Management Costs	9	299,690	588	300,278	215,289
Charitable Activities Costs	10	1,270,565	1,707,797	2,978,361	2,439,541
Support costs	11	738,348	-	738,348	645,877
Governance costs	11	105,170	-	105,170	69,016
Total Resources Expended		2,680,257	1,708,385	4,388,641	3,580,387
Net Income/Deficit Before Fund Movements and exceptional items		762,425	(39,305)	723,121	813,614
Gross Transfer Between Funds	24	3,378,765	(3,378,765)		-
Net Movement before other recognised gains and losses		4,141,190	(3,418,070)	723,121	813,614
Impairment of investment	Note 30	(1,000,000)		(1,000,000)	
Gains / (losses) on revaluation of Fixed assets	13	46,320	-	46,320	
Net Movement in Funds		3,187,510	(3,418,070)	(230,559)	813,614
Reconciliation of funds:					
Total Funds Brought Forward		32,999,872	4,365,209	37,365,081	36,551,467
Total Funds as at 31 March 2023		36,187,382	947,140	37,134,522	37,365,081

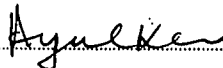
All the activities of the company are from continuing operations.

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

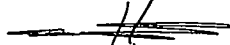
	Note	£	Total 2023 £	£	Total 2022 £
Fixed Assets:					
Freehold Land and Buildings	13		13,970,977		13,341,232
Leasehold Land and Buildings	13		10,456,034		10,456,034
Investment Properties	13		16,099,751		16,049,751
Fixtures, fittings and equipment	13		433,299		453,681
Other investments			538,933		
Investment in Subsidiaries			<u>1</u>		<u>1</u>
			41,498,995		40,300,699
Current Assets:					
Stock		2,863		3,027	
Debtors & prepayments	14	1,158,332		825,535	
Cash at bank & in hand		<u>1,536,354</u>		<u>2,736,054</u>	
		2,697,549		3,564,616	
Current Liabilities:					
Amount falling due within one year	15	<u>3,598,376</u>		<u>3,221,139</u>	
Net Current Assets / (Liabilities)			<u>(900,826)</u>		<u>343,477</u>
Total Assets less Current Liabilities			40,598,169		40,644,176
Creditors:					
Amount falling due after one year	16		3,463,647		3,279,095
Total Net Assets			<u>37,134,522</u>		<u>37,365,081</u>
Funds of the Charity					
Restricted Funds	21		947,140		4,365,209
Unrestricted Funds	22				
General Funds		236,274		1,453,265	
Designated Funds		<u>35,951,108</u>	36,187,382	<u>31,546,607</u>	32,999,872
Total Funds as at 31 March 2023			<u>37,134,522</u>		<u>37,365,081</u>

The financial statements were approved and authorised for issue by the Board on 2 September 2023.

Signed on behalf of the board of trustees



Trustee & Chairman



Trustee & Treasurer

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2023

Notes	£	2023 £	£	2022 £
Cash from Operating Activities				
Operating Surplus / (Deficit)	723,121		813,614	
Rent from investments	(944,017)		(883,069)	
Depreciation	74,874		80,646	
Other Investment Income	(1,029)		(2,068)	
(Gain)/Loss on fixed asset disposal	-		-	
(Increase)/Decrease in Debtors	(332,797)		11,232	
(Increase)/Decrease in Stock	164		422	
Increase/(Decrease) in Creditors	367,660		275,840	
Cash from Operations	<u>(112,025)</u>		<u>296,617</u>	
Net Cash Generated from Operations		(112,025)		296,617
Cash from Investment Activities				
Purchase of Tangible Fixed Assets	(687,917)		(122,088)	
Investments purchased	(1,538,933)		-	
Fixed assets disposal	-		-	
Rents from investments	944,017		883,073	
Interest / Profit on investment	1,029		2,068	
Net Cash Inflow/outflow from Investment Activities		(1,281,804)		763,053
Cash from Financing Activities				
Increase/(Decrease) of Bank Loan	(142,720)		(141,068)	
Increase/(Decrease) of Qard Hasanah (Private Loan)	336,850	194,129	(262,641)	(403,709)
Net Increase/(decrease) in Cash and Cash Equivalents		(1,199,700)		655,957
Opening Cash and Cash Equivalents		2,736,054		2,080,097
Closing Cash and Cash Equivalents		<u>1,536,354</u>		<u>2,736,054</u>
Reconciliation:				
Cash at bank and in hand		1,536,354		2,736,054
		<u>1,536,354</u>		<u>2,736,054</u>

See Note 33 for analysis of changes in net debt

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Accounting Policies

1.1 Basis of preparation of accounts:

The charitable company is a public benefit entity as defined by FRS 102, and the financial statements have been prepared in accordance with the Statement of Recommended Practice for 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)- Charities SORP FRS 102, and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in pound sterling which is the functional currency of the charity.

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.2 Going Concern

The Trust recognised an exceptional loss of £1m, due to an investment that may have been misrepresented (See Note 31), which is the main driver in the £0.9m net current liabilities on the balance sheet. This, alongside other cash funds tied up in investments, required the Trust to undergo a comprehensive cashflow analysis to forecast monthly cash positions for a year from the date of signed accounts. This demonstrated that the Trust will be able to maintain positive cashflow by managing and deferring some of its capital commitments. The Trust currently has 4 investment properties listed for sale, which if sold would significantly add to the free cash reserves. There are currently discussions regarding a potential £1m private loan too. When considering cashflow forecasting, and the further potential to realise cash via asset sales, Trustees believe the Going Concern basis is appropriate.

1.3

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The current designated fund is tied up within fixed assets and investments (See Note 22). Restricted funds are those funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The funds are set out in Note 21.

1.4 Income recognition:

All incoming resources are included in the Statement of Financial Activity (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- Cash donations are recognised on receipt.
- Tuitions Fee income is recognised when entitlement has occurred. Fee Invoices are usually raised at the beginning of the academic year and any income related to future accounting periods are deferred to those periods.
- Investment income is earned through holding property and cash deposits for investment purposes. Rental income is recognised as the charity's right to receive payment is established. Profit on funds held on deposit is included when receivable and the amount can be measured reliably.
- Hall and room hire income is recognised as at the date of the event.
- Grants for immediate expenditure are accounted for when they become receivable.

1.5 Expenditure and irrecoverable VAT:

All expenditure is accounted for on an accruals basis within the Statement of Financial Activity, and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised once there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Input VAT that cannot be claimed is included in the cost to which it relates.

1.6 Allocation of costs:

Costs are allocated between restricted and unrestricted funds according to the terms of the income. Where items expended are mixed, they are apportioned between the categories according to the income they relate to.

1.7 Support costs:

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities. Where support costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

EAST LONDON MOSQUE TRUST
Notes to the Financial Statements
for the Year Ended 31 March 2023

1.8 Tangible fixed assets and depreciation:

Freehold and long leasehold properties are not depreciated as they are maintained at a high standard, thus extending their useful life and residual value. Annual impairment reviews are conducted where assets are not depreciated. Individual fixed assets costing £500 or more are capitalised at cost, and are stated in the accounts at cost less depreciation.

Depreciation is calculated to write off the cost less their estimated residual value, over their expected useful lives on the following basis:

Computers and Equipment	15% Reducing balance.
Furniture, Fixtures and fittings	15% Reducing balance.

1.9 Investment properties:

Investment properties are held at fair value, which is measured annually with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

1.10 Investments :

Investments are recognised initially at fair value, which is normally stated at cost less provision for permanent diminution in value. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA. Other investments are measured at cost less impairment.

1.11 Stock:

Stock held by the entity consists of books and radios. Goods are stated at the lower of, cost or net realisable value. The cost includes all costs of purchase, any costs of conversion and other costs incurred in bringing the goods to its present location and condition.

1.12 Debtors and prepayments:

Debtors are receivable within one year and/or more than one year recognised at the transaction price. Prepayments are valued at the amount prepaid net of any discounts due.

1.13 Creditors and accruals:

Creditors payable within one year and/or more than one year are recognised at the transaction price. Accruals are valued at the net cost, less any discounts offered.

1.14 Loans and borrowings:

Loans and borrowings are initially recognised at the transaction price, including transaction costs.

Private Loans: "Qard Hasanah" is a interest free loans from the charity's beneficiaries, which only have a moral obligation to repay as per agreement. Qard Hasanah is recognised when received / paid and recorded under liabilities due within one year and/or more than one year.

1.15 Provisions:

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

1.16 Pensions:

Employees of the charity are entitled to join a defined contribution pension scheme. The pension contributions by the charity are charged to the financial statements, and equal or exceed the statutory minimum percentages applied to pensionable earnings.

1.17 Taxation:

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.18 Group accounting

The entity has a 100% stake in a dormant subsidiary LMC Limited and a 100% stake in ELMT Waqf Ltd. The latter's total reserves at 31 March 2023 were (£2,183). ELMT has a loan outstanding with ELMT Waqf Ltd., the details of which are discussed in Note 26.

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2023

2. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 for each member of the charity.

Incoming Resources						
3	Donations and Legacies	Note	Unrestricted £	Restricted £	2023 £	2022 £
	General Donations		1,191,532		1,191,532	956,314
	Baraka Khan Visitor Centre					
	Archiving Project			2,025	2,025	5,558
	MyELM		14,860		14,860	12,124
	DOME/Phase 2		288,645		288,645	241,672
	Gift Aid		81,852		81,852	100,619
			<u>1,576,889</u>	<u>2,025</u>	<u>1,578,914</u>	<u>1,316,287</u>
4	Activities for Generating Funds		Unrestricted £	Restricted £	2023 £	2022 £
	Hall and Room Hire		210,556		210,556	188,586
	Fundraising Activities		58,068		58,068	32,185
	Digital Fundraising incl. website		251,170		251,170	256,226
	Bookstall and similar sales		31,739		31,739	21,741
	Charity package sponsorships		53,250		53,250	48,033
			<u>604,783</u>	<u>-</u>	<u>604,783</u>	<u>546,771</u>
5	Investment Income		Unrestricted £	Restricted £	2023 £	2022 £
	Rent and Services Charges		944,017		944,017	883,073
	Profit on Bank Deposits and investments		1,029		1,029	2,068
			<u>945,046</u>	<u>-</u>	<u>945,046</u>	<u>885,141</u>
6	Income from Charitable Activities		Unrestricted £	Restricted £	2023 £	2022 £
	<u>a) Educational Projects</u>					
	Al Mizan School			547,855	547,855	454,752
	London East Academy			715,238	715,238	574,336
	ELM Evening Madrasah			58,546	58,546	68,330
				<u>1,321,639</u>	<u>1,321,639</u>	<u>1,097,418</u>
	<u>b) Contributions to ELMT for service use</u>					
	Al Mizan School		79,752		79,752	39,876
	London East Academy		101,056		101,056	50,528
			<u>180,808</u>		<u>180,808</u>	<u>90,404</u>
	<u>c) Other charitable funds</u>					
	Fir Fund			80,070	80,070	57,193
	Zakat Fund			88,482	88,482	81,545
	Welfare Fund			118,886	118,886	63,914
	Counselling Projects			36,719	36,719	12,618
	Winter Food Project					13,750
	Kickstarter scheme					7,565
	Burial Support					1,546
	Islam Awareness Project			21,259	21,259	
	Foodbank and Community Projects					4,293
	Itar and Iftar, and Huffaz collections		88,240		88,240	25,816
			<u>88,240</u>	<u>345,416</u>	<u>433,656</u>	<u>268,240</u>
	Total		<u>269,048</u>	<u>1,667,055</u>	<u>1,936,103</u>	<u>1,456,062</u>

Contributions by the schools for use of ELMT facilities are within the schools' costs in Note 10. The current year includes prior deferred contribu

7	Other Incoming Resources	Unrestricted £	Restricted £	2023 £	2022 £
	HMRC Job Retention Scheme				147,783
	User Groups' Contributions	3,155		3,155	5,000
	Weddings and Attestations	28,900		28,900	30,950
	Sundry	14,861		14,861	6,008
		<u>46,916</u>	<u>-</u>	<u>46,916</u>	<u>189,741</u>
	Total Income	<u>3,442,682</u>	<u>1,669,080</u>	<u>5,111,762</u>	<u>4,394,001</u>

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2023

Expenses Summary

8 Fundraising Costs		Unrestricted £	Restricted £	2023 £	2022 £
Salaries and Employer's NIC		98,459		98,459	89,600
Fundraising Events and Campaigns		152,633		152,633	109,802
Bookstall and Similar Supplies		15,392		15,392	11,262
		<u>266,484</u>	<u>-</u>	<u>266,484</u>	<u>210,664</u>
9 Investment Management Costs		Unrestricted £	Restricted £	2023 £	2022 £
Salaries and Employer's NIC	13	86,625		86,625	77,002
Premises Expenses	13	162,638		162,638	89,943
Insurance	13	9,166		9,166	8,056
Finance Charges		41,261		41,261	39,722
Waqf Ltd.			588	588	566
		<u>299,690</u>	<u>588</u>	<u>300,278</u>	<u>215,289</u>
10 Charitable Activities		Unrestricted £	Restricted £	2023 £	2022 £
<u>Educational Projects</u>					
Al Mizan School			531,933	531,933	444,309
London East Academy			720,194	720,194	565,060
Elm Evening Madrasah			75,440	75,440	74,369
			<u>1,327,567</u>	<u>1,327,567</u>	<u>1,083,739</u>
Salaries and NIC - Imams and Religious support		180,704		180,704	170,355
Welfare Fund Distribution			92,467	92,467	36,889
Counsellor Fees			37,105	37,105	48,028
NHS Community Investment Scheme					15,400
Fitr Fund Distribution			77,821	77,821	55,190
Zakat Fund Distribution			88,243	88,243	90,095
		<u>180,704</u>	<u>295,636</u>	<u>476,340</u>	<u>415,957</u>
Other Salaries and Employer's NIC	13	196,875		196,875	175,004
Premises Expenses	13	747,978		747,978	642,588
Archiving Expenses			15,892	15,892	23,687
Baraka Khan Visitor Centre			4,672	4,672	
Winter Food Project					6,249
Burial Support			28,800	28,800	
Foodbank and Community Support			17,276	17,276	15,844
Kickstarter scheme			7,565	7,565	
Islam Awareness Project			10,389	10,389	
Iftar, Iltikaaf and Huffaz Expenses		85,284		85,284	19,574
Publications related to charitable events		13,751		13,751	16,015
Web hosting and digital hub		27,807		27,807	25,597
Telephone, Fax and Internet	13	4,980		4,980	4,680
Computers and IT Expenses	13	9,288		9,288	7,513
Postage and Stationery	13	3,899		3,899	3,095
		<u>1,089,862</u>	<u>84,594</u>	<u>1,174,455</u>	<u>939,847</u>
		<u>1,270,565</u>	<u>1,707,797</u>	<u>2,978,362</u>	<u>2,439,541</u>

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2023

11	Support and Governance Costs:	Note	Unrestricted	Restricted	2023	2022
			£	£	£	£
	a) Support Costs					
	Salaries and Employer's NIC	13	440,999		440,999	392,008
	Insurance	13	18,332		18,332	16,108
	Telephone, Fax and Internet	13	4,980		4,980	4,680
	Computers and IT Expenses	13	9,288		9,288	7,513
	Postage and Stationery	13	3,899		3,899	3,096
	Legal and Professional Fees		87,236		87,236	62,233
	Payroll service		161		161	
	Training and Courses		8,905		8,905	4,800
	Book-Keeping and Accountancy		9,660		9,660	8,800
	Bank and Credit Card Charges		48,684		48,684	43,788
	Volunteer Expenses		4,968		4,968	4,326
	Subscriptions		11,484		11,484	8,531
	Sundry		26,818		26,818	23,961
	Depreciation on FF and Equipment		62,934		62,934	66,033
			<u>738,348</u>	<u>-</u>	<u>738,348</u>	<u>645,877</u>
	b) Governance Costs					
	Salaries and Employer's NIC	13	63,000		63,000	56,001
	Legal fees		26,203		26,203	
	Auditor remuneration		9,160		9,160	9,160
	Meetings and Training		6,807		6,807	3,643
	Trustee Indemnity insurance					212
			<u>105,170</u>	<u>-</u>	<u>105,170</u>	<u>69,016</u>
			<u>843,518</u>	<u>-</u>	<u>843,518</u>	<u>714,893</u>
	Total Expenses		<u><u>2,680,257</u></u>	<u><u>1,708,385</u></u>	<u><u>4,388,642</u></u>	<u><u>3,580,388</u></u>
12	Allocation of Costs:	Ratio	Total	Support Costs	Investment Governance Mgt cost	Charitable Activities
	a) Charitable Activities:					
	Cleaner Salaries & Cleaning Supplies	1: 9	346,394		34,639	311,754
	Service Charges		6,722		6,722	
	General Rates and Water	1: 9	69,999		65,143	4,856
	Lighting and Heating	1: 9	265,203		26,520	238,683
	Repairs and Maintenance	1: 9	214,094		21,409	192,685
			<u>902,411</u>	<u>-</u>	<u>154,434</u>	<u>747,978</u>
	b) Support Costs:					
	Computer and IT Expenses	1: 1	18,576	9,288		9,288
	Postage and Stationery	1: 1	7,798	3,899		3,899
	Insurance	1: 1	27,498	18,332	9,166	
	Salaries and Employer's NIC	56:8:11:25	787,498	440,999	63,000	196,875
	Telephone, Fax and Internet	1: 1	9,960	4,980		4,980
			<u>851,330</u>	<u>477,497</u>	<u>63,000</u>	<u>95,791</u>
						<u>215,042</u>

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2023

13 Tangible Fixed Assets:	Freehold	Leasehold	Investment	Fixtures, Fittings	
	Land & Building	and Building	Properties	& Equipment	Total
	£	£	£	£	£
Cost or valuation:					
At 1 April 2022	13,341,232	10,456,034	16,049,751	1,633,414	41,480,431
Additions	629,745		3,680	54,492	687,917
Gains / (losses) on fair value of Fixed assets			46,320		46,320
Disposal					
Land and Buildings transferred to FA Investment					
	<u>13,970,977</u>	<u>10,456,034</u>	<u>16,099,751</u>	<u>1,687,906</u>	<u>42,214,668</u>
Depreciation:					
At 1 April 2022				1,179,733	1,179,733
Charge for the year				74,874	74,874
Eliminated by Disposal					
				<u>1,254,607</u>	<u>1,254,607</u>
Net Book Value					
As at 31 March 2023	<u>13,970,977</u>	<u>10,456,034</u>	<u>16,099,751</u>	<u>433,299</u>	<u>40,960,061</u>
As at 31 March 2022	<u>13,341,232</u>	<u>10,456,034</u>	<u>16,049,751</u>	<u>453,681</u>	<u>40,300,698</u>

	2023	2022
	£	£
Fair Value reconciliation		
Cost of investment Properties	16,049,751	16,049,751
Reclassifications and additions	3,680	-
Gains / (losses) on revaluation of Fixed assets	46,320	-
	<u>16,099,751</u>	<u>16,049,751</u>

Mixed use Land and buildings (with investment element), were all last subject to a professional valuation during the financial year 2018/19. Professional valuations were made on 2 investment properties in July 2023. These led to a -£77k fair value loss for a property on Ernest Street, and a +£125k fair value gain for a property on Eastern Avenue.

Investment property classified in the accounts is allocated between mixed use property at the East London Mosque, Maryam Centre and LMC, as well as residential properties in the E1, E3, E14, and IG2 postcodes.

	£
East London Mosque	859,880
Maryam Centre	4,090,905
LMC	5,368,967
Other residential properties	5,780,000
	<u>16,099,752</u>

Four of the residential properties have been put on the market for sale.

14 Debtors & Prepayments:	2023	2022
	£	£
Prepayments	89,936	68,658
Rent and Others	588,086	373,003
Gift Aid accrued	21,415	13,048
Welfare debtors	20,000	20,000
Bad debts		(3,000)
Payroll debtors		532
Job Retention Scheme		13,048
Student Fees	438,895	340,246
	<u>1,158,332</u>	<u>825,535</u>

Rent debtors include £283,352 billed in advance to Al-Khair Foundation. As this income is related to the next financial year, this identical amount also forms part of the accruals and deferred income balance in Note 15.

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Creditors: Falling due within one year	2023	2022
	£	£
Other Taxes and Social Security Costs	46,465	41,330
Trade Creditors	203,172	98,651
Rent and Hall Hire Deposits	148,016	117,142
Advance Tuition Fees	363,964	532,255
Accruals and Deferred Income	701,634	343,498
Unidentified schools receipts	22,155	
Al Rayan (IBB) Bank Loan	190,367	180,789
Qard Hasanah - Private Loan	1,893,873	1,893,873
Pension Contributions	28,726	13,597
	<u>3,598,376</u>	<u>3,221,139</u>

16 Creditors: Falling due after more than one year	2023	2022
	£	£
Qard Hasanah - Private Loan	2,960,782	2,623,932
Al Rayan (IBB) Bank Loan	502,865	655,163
	<u>3,463,647</u>	<u>3,279,095</u>

Private Loans: "Qard Hasanah" are loans from the charity's beneficiaries, which are repayable on request. There is no interest due or security given for these loans. Long-term Qard Hasanah loans have been contractually agreed with private individuals, as not repayable within 12 months. Short-term loans can be repayable at any time.

FRS102 requires long-term interest-free loans to be stated at their present value. Effectively this would mean loan amounts stated in the account are lower than the actual amounts payable in future. This has potential to confuse the charity's stakeholders, as such the trustees have opted not to follow FRS102 treatment for these loans.

17 Analysis of Staff Costs:	2023	2022
	£	£
Total Salaries	2,029,789	1,880,318
Employer's NIC	156,582	134,314
Pension Contributions	112,877	101,754
Total Employment cost	<u>2,299,249</u>	<u>2,116,387</u>
Average number of employees: Support	38	30
Average number of employees: Charitable	91	94
	<u>129</u>	<u>124</u>
Employees paid in excess of £60,000	-	-

EAST LONDON MOSQUE TRUST
Notes to the Financial Statements
for the Year Ended 31 March 2023

18 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2022: £Nil)

Key management personnel (this excludes all Company directors/trustees) received remuneration of £212,326 during the year (2022: £194,972) including pension costs.

The trustees did not have any expenses reimbursed during the year (2022 - £nil).

19 Pensions:

The charity's pension scheme incorporates a SMART salary sacrifice scheme. It is operated by Evolve. Employer's contributions made to pension schemes were £112,877 (2022: £101,754), recognised as an expense under staff emoluments.

20 Deferred income:	2023	2022
	£	£
At start 01.04.2022	804,031	552,151
Additions during the year	629,456	804,031
Amounts released to income	(804,031)	(552,151)
At end 31.03.2023	<u>629,456</u>	<u>804,031</u>

Deferred income occurs where the entity has raised invoices for a service to be provided in the next financial period. This includes:

Rent and service charges: Invoices are raised a month in advance of the rent quarter to be billed.

Hall Hire: Bookings made for events occurring in the period after 31st March 2023.

Student fees: Fee invoices raised in the school academic year, but actually pertaining to the next financial year. The academic year crosses 2 financial years, and fees are allocated accordingly. Students awaiting enrolment may also be invoiced in advance.

21 Restricted Fund Movements	Opening Balance 01.04.2022 £	Incoming Resources £	Resources Expended £	Adjustment £	Closing Balance 31.03.2023 £
Capital Grants					
LDA Capital Grant	710,750			(710,750)	
Sure Start Capital Grant	258,000			(258,000)	
NRF Capital Grant	700,000			(700,000)	
ERDF Capital Grant	750,000			(750,000)	
	<u>2,418,750</u>			<u>(2,418,750)</u>	
41 Fieldgate Street	822,454			(822,454)	
Maryam Academy	159,131			(159,131)	
Educational Projects					
London East Academy	312,378	715,238	720,194		307,422
Al Mizan	34,087	547,855	531,933		50,009
Evening Madrasah	3,178	58,546	75,440	13,716	
	<u>349,643</u>	<u>1,321,639</u>	<u>1,327,567</u>	<u>13,716</u>	<u>357,431</u>
General Projects					
Zakat Fitr Fund	58,569	168,552	166,064		61,057
Welfare Funds	139,486	118,886	92,467		165,905
Penny Appeal/EECF Counselling Grants		36,719	37,105	386	
Archiving Project	24,954	2,025	15,892		11,087
Baraka Khan Visitor Centre	112,060		4,672		107,388
Winter Food Campaign (Islamic Relief)	8,130				8,130
Kickstarter scheme	7,565		7,565		
Islam Awareness Project		21,259	10,389		10,870
Burial Support	26,009		28,800	2,791	
Foodbank and Community Support	13,187		17,276	4,089	
NHS Community Investment Scheme	4,600				4,600
Waqf			588	588	
Dome appeal	<u>220,672</u>				<u>220,672</u>
	<u>4,365,210</u>	<u>1,669,080</u>	<u>1,708,385</u>	<u>(3,378,765)</u>	<u>947,140</u>

EAST LONDON MOSQUE TRUST
Notes to the Financial Statements
for the Year Ended 31 March 2023

22 Movement in Funds	Unrestricted Fund £	Designated Fund £	Unrestricted Total £	Restricted Fund £	Total Fund £
As at 1 April 2022	1,453,265	31,546,607	32,999,872	4,365,210	37,365,081
Current year surplus	762,425		762,425	(39,305)	723,121
Investment impairment/revaluations	(1,000,000)	46,320	(953,680)		(953,680)
Current year transfer	(979,416)	4,358,181	3,378,765	(3,378,765)	
As at 31 March 2023	236,274	35,951,108	36,187,382	947,140	37,134,522

Approximately £35.9m of funds are designated funds are tied up in buildings, investments and fixed assets. As at the balance sheet date the charitable company has £0.24m free reserves for its day to day operations. (2022: £1.4m)

£3.4m of historical restricted capital funds have been transferred to unrestricted reserves, as the term for use of these capital funds had expired.

23 Taxation

The entity is exempt from corporation tax, as it engages in charitable activities. Part of rental income is VATable, and charged at a rate of 20%.

24 Auditors' Remuneration

	2023 £	2022 £
Auditor's Remuneration for the audit of the charity's annual accounts	11,250	11,250
Fees Payable to the charity's auditor for non-audit services	11,210	11,210

25 Contingent Liabilities

The entity had no contingent liabilities as at 31 March 2023 nor at 31 March 2022.

26 Related Party Transactions - ELMT Waqf Ltd

The Trust has an existing loan of £401,000 with its subsidiary ELMT Waqf Ltd. The Trustees, Ayub Khan, Syed Ahmed and Harun Khan, are also directors of ELMT Waqf Ltd.

The loan is eliminated on consolidation, as ELMT Waqf Ltd, is a fully owned subsidiary of the East London Mosque Trust

The purpose of ELMT Waqf Ltd is to invest funds entrusted by donors in projects that will help sustain the activities of ELMT in the future.

ELMT Waqf Ltd completed the off-plan purchase of two plots of land at a cost of £379,016 on Welland Way, in Northampton in December 2019. The subsidiary entered into a sale and purchase agreement with Welland Way Estates Ltd., which would allow it to realise the sale of the now developed properties.

After the year-ended March 2023, one of the two plots have been sold (Completed 13/07/23). The net sale proceeds were £241,117.

27 Volunteers

The charity benefited from work performed by volunteers, including counting of cash collections, and stewarding during Friday prayers, and Ramadan.

28 Capital Commitments

The Charity has contractual commitments to extension work to the prayer hall (Phase 3), which are likely to be £1.2m from the date of signing accounts. They will be paid in monthly instalments.

29 Analysis of net assets between funds

	Unrestricted Total £	Restricted Fund £	Total Fund £
Tangible fixed assets	40,960,061		40,960,061
Investments	538,933		538,933
Current assets	1,750,771	947,140	2,697,911
Current liabilities	(3,598,376)		(3,598,376)
Creditors over 1 year	(3,463,647)		(3,463,647)
Total net assets	36,187,742	947,140	37,134,882

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2023

30 Investment impairment - Matz Medical Limited

During the financial year, the Trust invested £1,000,000 with a company called Matz Medical Limited. The investment was introduced by a company called Olive Capital Group. The purpose of the investment was to fund medical instrument purchase orders for the NHS. In September 2022, a freedom of information request, submitted to NHS Supply Chain Coordination Ltd, by another investor, had revealed that the said investor had entered into agreements with Matz Medical Limited, where false purchase order numbers may have been provided. Matz Medical Limited were confirmed as not being a listed supplier under the NHS Supply Chain Framework, as at September 2022. Matz Medical Limited entered into administration in November 2022, following action by another creditor. The full investment amount of ELMT, is deemed irrecoverable.

The Trust is attempting to pursue recovery of some of the loss by assessing personal guarantees that were provided at the time the investment was entered into.

31 Planning Gain Investment - SV7 Limited

ELMT invested in a joint venture with Sama Ventures Ltd during the year; the joint venture company created, was called SV7 Limited. ELMT invested £538,933 during the financial year, and another £122,833 in June 2023, with total financing not expected to exceed £794k. SV7 Ltd plans to purchase the rights to procure development of land on Pershore Street, Birmingham, for the purpose of building student accommodation. Its financial resources are being contributed by ELMT, whereas the research and expertise on seeking planning permission, as well as administrative and strategic planning time, is being devoted by staff of Sama Ventures Ltd. A decision on planning permission is expected to be received at the end of 2023.

32 Zakaat and Fitr

Payments were made after the year-end to several organisations who specialised in these charitable distributions. These included Islamic Relief, Muntada Aid, Human Appeal, Penny Appeal, Eden Care, Islamic Help, Human Relief Foundation, Human Care Initiative, Lonely Orphans, Global Relief Trust, Ummah Welfare Trust, Syria Relief, Help Yaleem, Bangladesh Regeneration Trust, Tawakkulia Foundation, Global Citizens UK, Onia Education & Welfare Trust, Jogonnathpur Islamic Society, Muslim Aid, Baytul Maqdis Foundation and Muslim Rose Welfare.

33 Analysis of changes in net debt

The analysis below serves as a note to the consolidated cash flow statement

	At start of year	Cash flows	Acq/disposal of investments	New finance leases	Fair value movements	Forex movements	Other non- cash changes	At end of year
	£	£	£	£	£	£	£	£
Cash	2,736,054	339,233	(1,538,933)	-	-	-	-	1,536,354
Cash equivalents	-	-	-	-	-	-	-	-
Overdraft facility	-	-	-	-	-	-	-	-
Total cash	2,736,054	339,233	(1,538,933)	0	0	0	0	1,536,354
Private loans <1 year	(1,893,873)	0	-	-	-	-	-	(1,893,873)
Private loans >1 year	(2,623,932)	(336,850)	-	-	-	-	-	(2,886,573)
Bank loans < 1 year	(180,789)	180,789	-	-	-	-	(180,789)	(180,789)
Bank loans > 1 year	(655,162)	-	-	-	-	-	152,297	(502,865)
Finance leases	-	-	-	-	-	-	-	-
Total borrowings	(5,353,756)	(156,061)	-	-	-	-	28,492	5,464,100
TOTAL	(2,617,702)	183,172	(1,538,933)	-	-	-	(28,492)	(3,927,746)

34 Events after the Reporting period

The schools received an unannounced visit from Ofsted inspectors at the end of June 2023. The inspection included a review of compliance and safeguarding procedures. No recommendations have been made following the visit, as of yet.

35 Grant making

The entity did not engage in grant making activity during the year.