

Charity Registration number 1125900

The Sunnah Foundation

Annual Report and Financial Statements

for the Year Ended 31 March 2021

The Sunnah Foundation

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The Sunnah Foundation

Reference and Administrative Details

Charity name	The Sunnah Foundation
Charity registration number	1125900
Correspondence address	19/21 Hatchett Street Hockley Birmingham B19 3NX
Trustees	T Hussain G Nawaz M Asghar
Bankers	TSB Bank 538 Stratford Road Sparkhill Birmingham B11 4BD
Independent Examiner	Parkar Accountants 19/21 Hatchett Street Hockley Birmingham B19 3NX

The Sunnah Foundation

Trustees' Report

The Trustees present their annual report together with the unaudited financial statements of The Sunnah Foundation (the charity for the year ended 31 March 2021). The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, Governance and Management

Governing document

The Sunnah Foundation ("the charity") is a Charitable Trust that was formed at a meeting of the Trustees in January 2005. The charity is governed by its Trust Deed dated 2nd August 2008 and was registered with the Charity commission on 16th September 2008.

Method of appointment and induction of new Trustees

New Trustees are appointed at the Annual General Meeting and are briefed on their legal obligations under charity law, the content of the charity's constitution, and its recent performance.

Organisational structure and decision making

The board of Trustees oversee the running of the charity on a day to day basis. All operational decisions are made at board meetings which are held frequently throughout the year.

Risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

Summary of objectives

To advance the Islamic faith for the public benefit as the Trustees may think fit.

To relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind, including through the provision of counselling and support.

To advance education for the public benefit

To engage in general charitable activities

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Trustees' Report

Activities for achieving objectives

- 1 This year due to COVID 19 pandemic all activities were cancelled, including the closure of our centre in East Birmingham.
- 2 However partial building works continued at the new building that the charity acquired in July 2016 and in January 2018 the charity was successful in gaining planning permission to change the use from Social Club (use Class D2) to Mixed Community Centre (use Class D1) and Place of Worship (use Class D1) with alterations to front elevation and roof.
- 3 Phase one of the building works was completed in 2019 and Phase two of the building works was completed in this year, which included:
 1. Ground floor rear hall expansion and various works to make the main hall fit for purpose
 2. Electrical upgrade
 3. Alarm
 4. CCTV
 5. Data cables
 6. Fire alarm
 7. Sound system
 8. Installation of gas central heating and associated plumbing works
 9. Installation of Audio and Speaker System
 10. Painting, Decorating etc

Public benefit

The Trustees frequently review the objectives and activities of the charity to ensure that they provide an overall benefit to the public. In carrying out this review the Trustees have considered the Charity Commission's general guidance on public benefit.

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Trustees' Report

Financial Review

Reserves policy

The charity's reserve policy is to build a sufficient level of reserves to enable the trustees to enable the charity to continue its operations.

Principle funding

During the year the charity raised a total of £99,055 in voluntary donations before charitable expenditure. The Trustees would like to thank all the donors for their generous support.

Plans for the Future

The charity's plans for the future are to continue raising funds to support its aims and objectives.

Statement of Trustees' Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 7 January 2022 and signed on their behalf by:

T Hussain
Trustee

M Asghar
Trustee

Independent Examiner's Report to the Trustees of The Sunnah Foundation

I report on the accounts of the Trust for the year ended 31 March 2021, which are set out on pages 6 to 10.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- 1) examine the accounts under section 145 of the Charities Act,
- 2) follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and
- 3) state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

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

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act,
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Parkar Accountants
7 January 2022

19-21 Hatchett Street
Birmingham, B19 3NX

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Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Incoming resources				
Incoming resources from generated funds				
Donations		99,055	99,055	145,821
Covid funding via Birmingham City Council		20,000	20,000	0
Covid funding via Job Retention Scheme		12,870	12,870	0
Total incoming resources		<u>111,925</u>	<u>131,925</u>	<u>145,821</u>
Resources expended				
Governance costs	2	972	972	878
Ramadan expenditure		5,782	5,782	4,273
General expenditure		328	328	468
Post and stationery		1,049	1,049	376
Heat and light		1,467	1,467	2,534
Rates and water		6,887	6,887	6,636
Wages and salary		14,243	14,243	19,789
Insurance		1,853	1,853	2,468
Repairs & renewals		0	0	298
Total resources expended		<u>32,582</u>	<u>32,582</u>	<u>37,720</u>
Net movement of funds		79,343	99,343	108,101
Reconciliation of funds				
Total funds brought forward		<u>744,786</u>	<u>744,786</u>	<u>636,685</u>
Total funds carried forward		<u><u>824,129</u></u>	<u><u>844,129</u></u>	<u><u>744,786</u></u>

All incoming resources and resources expended derive from continuing activities.

The charity has recognised no gains or losses for the year other than the results above.

The notes on pages 8 and 10 form an integral part of these financial statements

The Sunnah Foundation
Balance Sheet as at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Tangible Fixed Assets					
Leasehold property	4	<u>550,569</u>	550,569	<u>520,596</u>	520,596
Current Assets					
Debtors (Covid : job retention scheme)		640		0	
Cash at bank		<u>293,618</u>		<u>224,952</u>	
		294,258		224,952	
Creditors: Amounts falling due within one year	5	698		762	
Net Current Assets			<u>293,561</u>		<u>224,190</u>
Net Assets			<u><u>844,129</u></u>		<u><u>744,786</u></u>
The funds of the charity:					
Unrestricted Funds					
Unrestricted income funds			<u>824,129</u>		<u>744,786</u>
Total Charity Funds			<u><u>844,129</u></u>		<u><u>744,786</u></u>

Approved by the Board on 7 January 2022 and signed on its behalf by:

T Hussain
Trustee

M Asghar
Trustee

The Sunnah Foundation

Notes to the Financial Statements for the Year Ended 31 March 2021

1) Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)' issued in March 2005, applicable accounting standards and the Charities Act 2011.

Change of accounting basis

As a result of adopting the accruals accounting basis during the year, the comparative figures for the prior period have been restated.

Fund accountancy policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters,

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property cost by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

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Notes to the Financial Statements for the Year Ended 31 March 2021

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2) Governance costs

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Accountancy cost	804	804	720
DBS/DBA cost	168	168	158
	<u>972</u>	<u>972</u>	<u>878</u>

3) Trustees' remuneration and expenses

No trustees received any remuneration during the year.

4) Leasehold property

	2021 £	2020 £
Cost - bought forward	520,596	477,906
Leasehold property	0	25,000
Legal fee's - planning & building application etc	540	0
Enhancement	29,433	17,690
Net book value as at 31 March 2021	<u>550,569</u>	<u>520,596</u>

5) Creditors: amounts falling due within one year

	2021 £	2020 £
Social security and other tax	-106	42
Accruals and deferred income	804	720
	<u>698</u>	<u>762</u>

6) Related parties

Controlling entity

The charity is controlled by the trustees.

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Notes to the Financial Statements for the Year Ended 31 March 2021

.....continued

8) Analysis of funds

	At 1 April 2020 £	Incoming resources £	Resources expended £	At 31 March 2021 £
General Funds				
Unrestricted income fund	<u>744,786</u>	<u>131,925</u>	<u>32,582</u>	<u>844,129</u>