

MASTERS FOUNDATION
Unaudited Financial Statements
For the year ended
31 December 2020

M MEGHJEE ACCOUNTANCY SERVICES LIMITED

Mohseen Meghjee (ACPA)
18 Haytor Avenue
Kings Heath
Birmingham
B14 6UD

MASTERS FOUNDATION

Financial Statements

Year ended 31 December 2020

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MASTERS FOUNDATION

Trustees' Annual Report

Year ended 31 December 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name MASTERS FOUNDATION

Charity registration number 1128681

Principal office 109 Percy Road
Sparkhill
Birmingham
B11 3NQ

The trustees

Mr Mussadiq Master
Mr Murtaza Roshanali Master
Mr Suhail Mohamed Valji
Mr Minhal Master

Independent examiner Mohseen Meghjee (ACPA)
Mohseen Meghjee (ACPA)
18 Haytor Avenue
Kings Heath
Birmingham
B14 6UD

Structure, governance and management

The charity is unincorporated charity, formed under the constitution 16 December 2008. It has been registered with charity commission, registration number 1128681. The constitution has been revised by resolution dated 01 January 2009 and 07 March 2009.

MASTERS FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Objectives and activities

The objects of the charity are as follows:

To relieve sickness and financial hardship and to preserve and protect good health anywhere in the world as the trustees think fit,

The relief of financial need and suffering among victims of natural or other kinds of disaster in the form of money (or other means deemed suitable) for persons, bodies, organisations and/or countries affected including the provision of medical aid.

To advance religion in particular the Shia Ithna-Asheri Muslim faith anywhere in the world as the trustees think fit.

To advance education anywhere in the world as the trustees think fit.

To further such exclusively charitable purposes as determined by the law of England and Wales for the benefit of the public as the trustees think fit.

Achievements and performance

The trustees have considered the Charity Commission's guidance on public benefit. Including in the charitable activities which benefited the public are the following.

Financial help for the hardship and needy was paid during the year amounted to £36,500 (2019 - £21,560)

£nil (2019 - £Nil) were given to building projects in United Kingdom.

Other donations and grants to other institutions £177,742 (2019 - £63,332).

Financial review

The charity received gross donation of £308,594 (2019 - £284,851) and expended £266,025 (2019 - £84,272) during the year, leaving a surplus of £42,569 and was carried forward to the following year.

The charity made hardship loans to individuals amounting to £207,000 in the year ended 31 December 2020, which will be repaid back as per agreement between the individuals and the charity.

MASTERS FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

The trustees' annual report was approved on 26 October 2021 and signed on behalf of the board of trustees by:

Mr Mussadiq Master
Trustee

MASTERS FOUNDATION

Independent Examiner's Report to the Trustees of MASTERS FOUNDATION

Year ended 31 December 2020

I report to the trustees on my examination of the financial statements of MASTERS FOUNDATION ('the charity') for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mohseen Meghjee (ACPA)
Independent Examiner

Mohseen Meghjee (ACPA)
18 Haytor Avenue
Kings Heath
Birmingham
B14 6UD

26 October 2021

MASTERS FOUNDATION
Statement of Financial Activities
Year ended 31 December 2020

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	306,494	2,100	308,594	280,651
Investment income	5	—	—	—	4,200
Total income		<u>306,494</u>	<u>2,100</u>	<u>308,594</u>	<u>284,851</u>
Expenditure					
Expenditure on charitable activities	6	237,619	20,906	258,525	84,272
Other expenditure	7	7,500	—	7,500	—
Total expenditure		<u>245,119</u>	<u>20,906</u>	<u>266,025</u>	<u>84,272</u>
Net income and net movement in funds		<u>61,375</u>	<u>(18,806)</u>	<u>42,569</u>	<u>200,579</u>
Reconciliation of funds					
Total funds brought forward		1,119,382	20,305	1,139,687	939,108
Total funds carried forward		<u>1,180,757</u>	<u>1,499</u>	<u>1,182,256</u>	<u>1,139,687</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 13 form part of these financial statements.

MASTERS FOUNDATION
Statement of Financial Position
31 December 2020

	Note	2020 £	£	2019 £
Fixed assets				
Tangible fixed assets	12		127,167	130,195
Current assets				
Debtors	13	430,874		107,500
Cash at bank and in hand		625,100		904,159
		<u>1,055,974</u>		<u>1,011,659</u>
Creditors: amounts falling due within one year	14	<u>885</u>		<u>2,167</u>
Net current assets			<u>1,055,089</u>	<u>1,009,492</u>
Total assets less current liabilities			<u>1,182,256</u>	<u>1,139,687</u>
Net assets			<u><u>1,182,256</u></u>	<u><u>1,139,687</u></u>
Funds of the charity				
Restricted funds			1,499	20,305
Unrestricted funds			<u>1,180,757</u>	<u>1,119,382</u>
Total charity funds	15		<u><u>1,182,256</u></u>	<u><u>1,139,687</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 26 October 2021, and are signed on behalf of the board by:

Mr Mussadiq Master
Trustee

The notes on pages 7 to 13 form part of these financial statements.

MASTERS FOUNDATION

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 109 Percy Road, Sparkhill, Birmingham, B11 3NQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

MASTERS FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

MASTERS FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land & buildings - Over 50 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

MASTERS FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	277,119	2,100	279,219
Income tax reclaimed on Gift Aid Donations	29,375	—	29,375
	<u>306,494</u>	<u>2,100</u>	<u>308,594</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Donations	240,469	15,681	256,151
Income tax reclaimed on Gift Aid Donations	24,500	—	24,500
	<u>264,969</u>	<u>15,681</u>	<u>280,651</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from investment properties	—	—	4,200	4,200

MASTERS FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	226,015	20,906	246,921
Support costs	11,604	—	11,604
	<u>237,619</u>	<u>20,906</u>	<u>258,525</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Charitable activities	98,189	336	98,525
Support costs	(14,254)	—	(14,253)
	<u>83,935</u>	<u>336</u>	<u>84,272</u>

7. Other expenditure

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Other exceptional expenditure	<u>7,500</u>	<u>7,500</u>	<u>—</u>	<u>—</u>

8. Net income

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>3,028</u>	<u>3,028</u>

9. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>375</u>	<u>375</u>

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

2020 £	2019 £
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The average head count of employees during the year was Nil (2019: Nil).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

11. Trustee remuneration and expenses

During the year, no trustees received any remuneration or reimbursement of expenses (2016 - nil)

MASTERS FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

12. Tangible fixed assets

	User defined asset £	Total £
Cost		
At 1 January 2020 and 31 December 2020	151,390	151,390
Depreciation		
At 1 January 2020	21,195	21,195
Charge for the year	3,028	3,028
At 31 December 2020	24,223	24,223
Carrying amount		
At 31 December 2020	127,167	127,167
At 31 December 2019	130,195	130,195

13. Debtors

	2020 £	2019 £
Other debtors	430,874	107,500

14. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	510	510
Accruals and deferred income	375	375
Social security and other taxes	—	1,282
	885	2,167

15. Analysis of charitable funds

Unrestricted funds

	At 1 January 20 £	Income £	Expenditure £	At 31 December r 2020 £
General funds	934,148	—	(7,140)	927,008
Unrestricted funds	185,234	306,494	(237,979)	253,749
	<u>1,119,382</u>	<u>306,494</u>	<u>(245,119)</u>	<u>1,180,757</u>

	At 1 January 20 19 £	Income £	Expenditure £	At 31 December 2019 £
General funds	934,148	—	—	934,148
Unrestricted funds	—	269,169	(83,935)	185,234
	<u>934,148</u>	<u>269,169</u>	<u>(83,935)</u>	<u>1,119,382</u>

MASTERS FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

15. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 January 20 20	Income	Expenditure	At 31 December r 2020
	£	£	£	£
Restricted Funds	<u>20,305</u>	<u>2,100</u>	<u>(20,906)</u>	<u>1,499</u>

	At 1 January 20 19	Income	Expenditure	At 31 December 2019
	£	£	£	£
Restricted Funds	<u>4,960</u>	<u>15,681</u>	<u>(336)</u>	<u>20,305</u>

16. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2020
	£	£
Tangible fixed assets	127,167	127,167
Current assets	1,055,974	1,055,974
Creditors less than 1 year	(885)	(885)
Net assets	<u>1,182,256</u>	<u>1,182,256</u>

	Unrestricted Funds	Total Funds 2019
	£	£
Tangible fixed assets	130,195	130,195
Current assets	1,011,659	1,011,659
Creditors less than 1 year	(2,167)	(2,167)
Net assets	<u>1,139,687</u>	<u>1,139,687</u>

17. Reserve policy

The plans for accumulated reserves of the charity be used for the development of the land at Catherine-de-Barns and to build education centre/hospital in Zanzibar, and any other opportunity that arises.

MASTERS FOUNDATION

Management Information

Year ended 31 December 2020

The following pages do not form part of the financial statements.

MASTERS FOUNDATION

Detailed Statement of Financial Activities

Year ended 31 December 2020

	2020 £	2019 £
Income and endowments		
Donations and legacies		
Donations	279,219	256,151
Income tax reclaimed on Gift Aid Donations	29,375	24,500
	<u>308,594</u>	<u>280,651</u>
Investment income		
Income from investment properties	—	4,200
	<u>—</u>	<u>4,200</u>
Total income	<u>308,594</u>	<u>284,851</u>
Expenditure		
Expenditure on charitable activities		
Rent	—	(18,000)
Rates and water	2,743	779
Legal and professional fees	5,451	375
Depreciation	3,029	3,028
Other interest payable and similar charges	641	344
Education assistance	26,053	26,088
Medical assistance	—	1,250
Grants to other institutions	177,742	63,332
Other charitable expenses	38,038	2,643
Other expenses	4,828	4,433
	<u>258,525</u>	<u>84,272</u>
Other expenditure		
Other exceptional expenditure	7,500	—
	<u>7,500</u>	<u>—</u>
Total expenditure	<u>266,025</u>	<u>84,272</u>
Net income	<u>42,569</u>	<u>200,579</u>

MASTERS FOUNDATION

Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2020

	2020 £	2019 £
Expenditure on charitable activities		
Charitable activities		
<i>Activities undertaken directly</i>		
Rates & Water	260	779
Educational Assistance	26,053	26,088
Medical Assistance	—	1,250
Grants to other institutions	177,742	63,332
Other charitable expenses	38,038	2,643
Other expenses	4,828	4,433
	<u>246,921</u>	<u>98,525</u>
Governance costs		
Rent	—	(18,000)
Governance costs - rates & water	2,483	—
Accountancy fees	375	375
Governance costs - legal and other professional fees	5,076	—
Depreciation	3,029	3,028
Bank charges	641	344
	<u>11,604</u>	<u>(14,253)</u>
Expenditure on charitable activities	<u><u>258,525</u></u>	<u><u>84,272</u></u>