

Company registration number: 06806357

Charity registration number: 1131861

# The Emaan Trust of Sheffield

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2022

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## Reference and Administrative Details

Trustees	Mr Hameed Al-Asaly Mr Abdulmalik Alsanabani Mr Abderrazzaq Bougara Mr Abdulrahman Hussein Mr Ali Al Batati Mr Mark Bonham
Principal Office	1 Ribston Mews Sheffield S9 3BS
Registered Office	12 Severn Road Sheffield S10 2SU
Company Registration Number	06806357
Charity Registration Number	1131861
Bankers	Barclays Bank Leicester LE87 2BB
Auditor	Shareef & Co Chartered Accountants & Statutory Auditors 18-22 Stoney Lane Yardley Birmingham B25 8YP

## **Trustees and Directors' Report**

The Trustees, who are Directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 January 2022.

### **Objectives and activities**

#### **Objects and aims**

The charity's objective and its principal activity continues to be the establishment of a centre for community services to fulfil the religious needs of the Muslim community and to provide services to the wider communities in Sheffield and the surrounding areas.

These services include:

- To relieve poverty by the provision of advice, financial and other assistance to those in need, hardship or distress.
- To advance education for the public benefit.
- To preserve and protect good health for the public benefit.
- To provide facilities in the interests of social welfare for the recreation and other leisure time pursuits of those who are in need.

The charity continues to explore new ways of improving the conditions of individuals. The charity is organised so that the Trustees meet regularly to manage its affairs.

There is 1 full time consultant directly reporting to the Trustees, the employees manage the day-to-day administration of the charity and organise fundraising initiatives. New Trustees are only recruited and trained when a Trustee leaves his/her position or a strategic need arises.

#### **Public benefit**

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Achievements and performance**

The Trust had been closed during the lockdown period as per the Government guidelines. The Trust had re-opened following lockdown whilst maintaining the social distancing rules at a reduced capacity, only offering the bare minimum of services including the daily prayers and for Ramadan.

#### **Financial review**

During the year the Trust raised £500k (2021: £33k) and spent £37k (2021: £47k) on revenue activities and £175k (2021: £3.4k) on the Islamic Centre.

The total carry forward reserves of the Trust stood at £5.96m (2021: £5.50m).

#### **Policy on reserves**

Restricted reserves stood at £2.14m (2021: £2.14m) and unrestricted reserves at £3.82m (2021: £3.36m).

The Trustees have considered the level of reserves and found them to be adequate for meeting the immediate and future needs of the Trust.

#### **Going concern**

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### **Structure, governance and management**

#### **Nature of governing document**

Emaan Trust was founded in 2004 and was registered as an incorporated charity with UK Charity commission in 2009. The company is a private limited company limited by guarantee incorporated on 30 January 2009 and is governed by its articles of association (Articles). In the event the charitable company is wound up members are required to contribute an amount not exceeding £1.

Emaan Trust seeks to establish an Islamic centre in order to fulfil the religious needs of the surrounding Muslim communities and to provide services to the wider community in Sheffield and surrounding areas.



## Trustees and Directors' Report

### **Recruitment and appointment of Trustees**

Any new Trustees are nominated by members of the board of Trustees, interviewed and then appointed where they have the necessary skills and knowledge to contribute to the charity's development and management.

### **Induction and training of Trustees**

The new Trustees are briefed on their legal obligations under charity laws and regulations, the Committee and decision making process, the recent financial performance and the future plans and objectives of the charity. They also meet other Trustees and the employees.

### **Arrangements for setting key management personnel remuneration**

There is no Management Personnel employed, the Directors who are also the Trustees of the Charity, manage the smooth running of the charity, and do not receive any remuneration.

### **Organisational structure**

The board of Trustees administer the charity through committees, contractors and one full time employee. The staff manages the day to day operations of the charity while the contractors and the construction committee oversee the construction of the centre. To facilitate effective operations the board have nominated Trustees and delegated authority to oversee operational matters including, Finance, Legal and donation making.

### **Major risks and management of those risks**

#### **Reputation risk**

Negative PR can damage the Trusts standing and reputation with donors.

The Trust Board includes experienced professionals that actively oversee the work of the Trust. The Trust has also engaged legal and finance professionals to manage legal and finance risks.

#### **Lack of funds**

This can delay the construction and completion of the Islamic centre.

The Trustees have effective fund raising plans in place to ensure funds are raised in a timely manner. During the year key Trustees with various fund raisers travel to the Middle East and liaise with donors to ensure funds are raised in a timely manner.

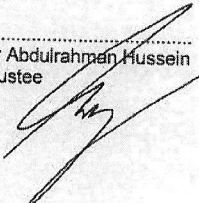
### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on ..... and signed on its behalf by:

23.1.23

Mr Abdulrahman Hussein  
Trustee



### Statement of Trustees' Responsibilities

The Trustees (who are also the directors of The Emaan Trust of Sheffield for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 inappropriate to presume that the charitable company will continue in business.

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

## **Independent Auditor's Report to the Members of The Emaan Trust of Sheffield**

### **Opinion**

We have audited the financial statements of The Emaan Trust of Sheffield (the 'charity') for the year ended 31 January 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2022 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 charity 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant 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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 the 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.

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of The Emaan Trust of Sheffield**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws and taxes, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and FRS 102. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to achieve desired financial results and the manipulation of exceptional items and management bias in accounting estimates. Audit procedures performed by the engagement team included, but were not limited to: - enquiries with management, and the Company's legal counsel (internal and, where relevant, external), including consideration of known or suspected instances of fraud and non-compliance with laws and regulations and examining supporting calculations where a provision has been made in respect of these; reading key correspondence with regulatory authorities in relation to compliance with certain employment laws and indirect tax matters; - understanding and evaluating the design and implementation of management's controls designed to prevent and detect irregularities; - challenging assumptions and judgements made by management in their significant accounting estimates, in particular, in relation to restricted funds; - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations and postings by unusual users; There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## Independent Auditor's Report to the Members of The Emaan Trust of Sheffield

### Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Shareef & Co  
Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

18-22 Stoney Lane  
Yardley  
Birmingham  
B25 8YP

Date: 23-1-2023

**Statement of Financial Activities for the Year Ended 31 January 2022**  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	489,913	-	489,913
Investment income	3	21	-	21
Other income	4	9,542	-	9,542
Total income		<u>499,476</u>	<u>-</u>	<u>499,476</u>
<b>Expenditure on:</b>				
Raising funds		(10,761)	-	(10,761)
Charitable activities	6	(28,052)	-	(28,052)
Total expenditure		<u>(38,813)</u>	<u>-</u>	<u>(38,813)</u>
Net income		<u>460,663</u>	<u>-</u>	<u>460,663</u>
Net movement in funds		460,663	-	460,663
<b>Reconciliation of funds</b>				
Total funds brought forward		3,358,360	2,140,677	5,499,037
Total funds carried forward	17	<u>3,819,023</u>	<u>2,140,677</u>	<u>5,959,700</u>

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	23,045	-	23,045
Investment income	3	3	-	3
Other income	4	10,237	-	10,237
Total income		<u>33,285</u>	<u>-</u>	<u>33,285</u>
<b>Expenditure on:</b>				
Raising funds		(14,840)	-	(14,840)
Charitable activities	6	(32,544)	-	(32,544)
Total expenditure		<u>(47,384)</u>	<u>-</u>	<u>(47,384)</u>
Net expenditure		<u>(14,099)</u>	<u>-</u>	<u>(14,099)</u>
Net movement in funds		(14,099)	-	(14,099)
<b>Reconciliation of funds</b>				
Total funds brought forward		3,372,459	2,140,677	5,513,136
Total funds carried forward	17	<u>3,358,360</u>	<u>2,140,677</u>	<u>5,499,037</u>

All of the charity's activities derive from continuing operations during the above two periods.



**(Registration number: 06806357)**  
**Balance Sheet as at 31 January 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	5,712,259	5,537,162
<b>Current assets</b>			
Cash at bank and in hand	15	287,161	19,079
<b>Creditors: Amounts falling due within one year</b>	16	<u>(39,720)</u>	<u>(57,204)</u>
<b>Net current assets/(liabilities)</b>		<u>247,441</u>	<u>(38,125)</u>
<b>Net assets</b>		<u>5,959,700</u>	<u>5,499,037</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		2,140,677	2,140,677
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>3,819,023</u>	<u>3,358,360</u>
<b>Total funds</b>	17	<u>5,959,700</u>	<u>5,499,037</u>

For the financial year ending 31 January 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

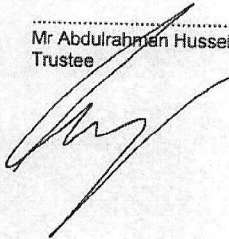
**Directors' responsibilities:**

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 18 were approved by the trustees, and authorised for issue on ..... and signed on their behalf by:

.....  
Mr Abdulrahman Hussein  
Trustee



**Statement of Cash Flows for the Year Ended 31 January 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash income/(expenditure)		460,663	(14,099)
<b>Adjustments to cash flows from non-cash items</b>			
Investment income	3	<u>(21)</u>	<u>(3)</u>
		460,642	(14,102)
<b>Working capital adjustments</b>			
Decrease in creditors	16	<u>(17,484)</u>	<u>(11,299)</u>
Net cash flows from operating activities		<u>443,158</u>	<u>(25,401)</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	3	21	3
Purchase of tangible fixed assets	14	<u>(175,097)</u>	<u>(3,415)</u>
Net cash flows from investing activities		<u>(175,076)</u>	<u>(3,412)</u>
Net increase/(decrease) in cash and cash equivalents		268,082	(28,813)
Cash and cash equivalents at 1 February		<u>19,079</u>	<u>47,892</u>
Cash and cash equivalents at 31 January		<u>287,161</u>	<u>19,079</u>

All of the cash flows are derived from continuing operations during the above two periods.



## Notes to the Financial Statements for the Year Ended 31 January 2022

### 1 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### Basis of preparation

The Emaan Trust of Sheffield meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling which is the functional currency of the Trust and rounded to the nearest £1.

#### Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

#### Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### Charitable activities

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.

#### 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 costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

## Notes to the Financial Statements for the Year Ended 31 January 2022

### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Tangible fixed assets

Individual fixed assets costing £1,000.00 or more are initially recorded at cost.

### Depreciation and amortisation

The fixed assets are under construction and not in use therefore no depreciation is charged.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

### Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### Financial instruments

#### Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

## Notes to the Financial Statements for the Year Ended 31 January 2022

### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### **Debt instruments**

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

### **Investments**

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## Notes to the Financial Statements for the Year Ended 31 January 2022

### Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

### Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

### General information

The Emaan Trust of Sheffield is a Charitable Company Limited by Guarantee, incorporated in England and registered in England and Wales. Its registered office is 1 Ribston Mews, Sheffield, S9 3BS and company registration number is 06806357. The Emaan Trust is a charity registered in England and Wales, with a charity registration number of 1131861.

The Emaan Trust of Sheffield is aiming to establishing a distinguished Islamic Centre so it builds bridges for civilised communications and serves people in Sheffield and surrounding areas. This is reflected in the nature of the unique services to be provided. The Centre provides a comprehensive set of facilities for the whole of Muslim community in the area.

## 2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2022	2021
		£	£
Donations and legacies;			
Donations	489,913	489,913	23,045
	<u>489,913</u>	<u>489,913</u>	<u>23,045</u>

## 3 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2022	2021
		£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	21	21	3

## 4 Other income

	Unrestricted funds		
	General	Total	Total
	£	2022	2021
		£	£
HMRC Jrs Grant	9,542	9,542	10,237

# Notes to the Financial Statements for the Year Ended 31 January 2022

## 5 Expenditure on raising funds

### a) Costs of generating donations and legacies

	Unrestricted funds £	Total 2022 £	Total 2021 £
Other direct costs of generating voluntary income	10,761	10,761	14,840
	<u>10,761</u>	<u>10,761</u>	<u>14,840</u>

## 6 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2022 £	Total 2021 £
Islamic centre	26,073	1,979	28,052	32,544

In addition to the expenditure analysed above, there are also governance costs of £10,384 (2021 - £11,764) which relate directly to charitable activities. See note 7 for further details.

## 7 Analysis of governance and support costs

### Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Audit fees			
Audit of the financial statements	4,200	4,200	-
Independent examiner fees			
Examination of the financial statements	-	-	2,100
Legal & Professional fees	6,184	6,184	9,664
	<u>10,384</u>	<u>10,384</u>	<u>11,764</u>

## 8 Grant-making

### Analysis of grants

## 9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

## 10 Staff costs

The aggregate payroll costs were as follows:

**Notes to the Financial Statements for the Year Ended 31 January 2022**

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	10,661	12,731
Social security costs	<u>100</u>	<u>2,109</u>
	<u>10,761</u>	<u>14,840</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
No. of Employees	<u>1</u>	<u>1</u>

No employee received emoluments of more than £60,000 during the year (2021: Nil).

**11 Independent examiner's remuneration**

	2021 £
Examination of the financial statements	<u>2,100</u>

**12 Auditors' remuneration**

	2022 £
Audit of the financial statements	<u>4,200</u>

# Notes to the Financial Statements for the Year Ended 31 January 2022

## 13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

## 14 Tangible fixed assets

	Land and buildings £	Total £
<b>Cost</b>		
At 1 February 2021	5,537,162	5,537,162
Additions	175,097	175,097
At 31 January 2022	5,712,259	5,712,259
<b>Depreciation</b>		
At 31 January 2022	-	-
<b>Net book value</b>		
At 31 January 2022	5,712,259	5,712,259
At 31 January 2021	5,537,162	5,537,162

## 15 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	287,161	19,079

## 16 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	39,720	57,204

## 17 Funds

	Balance at 1 February 2021 £	Incoming resources £	Resources expended £	Balance at 31 January 2022 £
<b>Unrestricted funds</b>				
General	3,358,360	499,476	(38,813)	3,819,023
<b>Restricted funds</b>	2,140,677	-	-	2,140,677
<b>Total funds</b>	5,499,037	499,476	(38,813)	5,959,700

	Balance at 1 February 2020 £	Incoming resources £	Resources expended £	Balance at 31 January 2021 £
<b>Unrestricted funds</b>				
General	3,372,459	33,285	(47,384)	3,358,360
<b>Restricted funds</b>	2,140,677	-	-	2,140,677
<b>Total funds</b>	5,513,136	33,285	(47,384)	5,499,037



**Notes to the Financial Statements for the Year Ended 31 January 2022**

**18 Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	3,571,582	2,140,677	5,712,259
Current assets	287,161	-	287,161
Current liabilities	(39,720)	-	(39,720)
Total net assets	<u>3,819,023</u>	<u>2,140,677</u>	<u>5,959,700</u>

	Unrestricted funds	Restricted funds	Total funds at 31 January 2021
	General £	£	£
Tangible fixed assets	3,396,485	2,140,677	5,537,162
Current assets	19,079	-	19,079
Current liabilities	(57,204)	-	(57,204)
Total net assets	<u>3,358,360</u>	<u>2,140,677</u>	<u>5,499,037</u>

**19 Analysis of net funds**

	At 1 February 2021	Financing cash flows	At 31 January 2022
	£	£	£
Cash at bank and in hand	19,079	268,082	287,161
Net debt	<u>19,079</u>	<u>268,082</u>	<u>287,161</u>

**20 Related party transactions**

There were no related party transactions in the year.