

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2022
FOR
MADRASAH BAYTUL ILM**

Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

MADRASAH BAYTUL ILM
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FOR THE YEAR ENDED 31ST AUGUST 2022

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MADRASAH BAYTUL ILM
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2022

The trustees present their report with the financial statements of the charity for the year ended 31st August 2022. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Madrasah Baytul 'Ilm objectives primarily focus on fulfilling the spiritual and religious need of the Muslim community in Leicester together with serving humanity in general.

The Local community of Leicester is the primary benefactor together the wider society in the UK and abroad also benefit from our services.

The objectives of MBI are summarised below:

To advance the education of the public and young people by providing language classes and recreational activities to develop their capabilities that they may grow to become good citizens;

To relieve financial hardship, distress and suffering among poor people, orphans, victims of natural disasters and other people in need by making grants for water, clothing, medical treatment, rehabilitation and accommodation.

MADRASAH BAYTUL ILM
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FOR THE YEAR ENDED 31ST AUGUST 2022

OBJECTIVES AND ACTIVITIES

Significant activities

Prayers in Congregation

Madrasah Baytul 'Ilm provides facilities for 5 times daily salāh (congregational prayers) for the local and wider community.

Main Salātul Jumu'ah and Late Salātul Jumu'ah

Friday Congregation prayers are held just after high noon and a later congregational prayer is available in Summer time for those who are unable to attend the earlier congregation due to work or other commitments.

Nikah

A service for couples who wish to perform Nikah (the Islamic marriage ceremony) is also provided. 3 Nikah/Marriage ceremonies were performed during the current financial year.

Dars Programmes (Daily Formal & Informal Discourses)

Daily programmes take place of Darse Qur'ān, Darse Hadeeth and Taleem (formal & informal) in both Urdu and English Language to cater for the community. Members of the local and wider community attend these programmes on a regular basis and benefit from these spiritual talks.

Education

Madrasah Activities & Services

MBI provides Islamic education for boys and girls. At present, we cater for 511 students divided into 34 classes. The syllabus caters for students from age 4 to 16 and above. The provision also includes male and female adult classes, revision classes, and special needs classes.

Weekly Assembly

Each week on Fridays an assembly takes place in which a member of staff discusses/advises on a topic which is beneficial for advancing in their studies.

Student monthly Performance Award

Every month at the Madrasah, each class teacher selects 2 student from their class for an award for

a) Student of the month. b) Most improved Student of the month.

These students are selected who have worked hard during the month and are awarded a certificate and a prize. As a result of this award, students receive a boost in their confidence, and they work harder to perform better in their studies. The names of all students receiving this award is published monthly on the Madrasah website.

Youth programme every month

This Programme is held on the last Saturday of each month. Many from the local community benefit from this programme which includes recitations of the Glorious Qura'n and Naats/Anaasheed performed by students as well as informative lectures delivered by respected speakers. The speakers generally cover areas under the headings of belief, worship, social interaction, dealings, morals and values along with the need for spiritual rectification to enable people to become practising Muslims and also better citizens of this country.

The programme concludes with a prize giving quiz for children aged between 8 and 11 years whilst the remaining congregation benefit from a concluding short lesson regarding the sunan (practices) of our beloved Prophet Muhammad (Sallallahu alayhi wa sallam) connected to day-to-day life. After the programme refreshments are served to all attendees.

MBI Website

MADRASAH BAYTUL ILM
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2022

OBJECTIVES AND ACTIVITIES

The site aims to provide education through comprehensive information on various topics of the faith, which can enable the young and old to benefit and enhance their knowledge and practical day to day life. There is informative and inspirational material available through the MBI website.

The website also provides the opportunity for the visitor to give feedback which is valued and enables MBI to review its services and improve it further.

Adult (Male/Female) Services

MBI offers telephone support for adults by offering responses to questions related to Islamic practices (rulings). During the year we were able to provide emotional and practical support to the local community and signpost to the relevant services. One area which was covered was palliative support and bereavement support. Many of our local attendees loose loved ones and we were able to provide them with valuable assistance at this difficult and critical time.

Publications & Resources

We aim to publish informative and inspirational material to distribute and to educate the public from time to time. This is in the form of leaflets which cover a theme of the month or special dates in the Islamic calendar. The purpose of this is to enhance the Islamic Knowledge of the public through this literature benefit them spiritually. We have shared 7 leaflets via email in this financial year.

Events

- Mid-Year examinations ceremony for the academic year 2021/22 was scheduled to take place on 31st January 2022
- End of Year examination ceremony for the academic year 2021/22 took place on 26th & 27th July 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Each year, MBI admits a number of students for the Introductory Class (age 4) and these students progress through the years learning beginning from the Arabic language in order to learn to recite the Holy Qura'an.

For the Academic year 2021/2022, the intake for the Introductory Class was 60.

Memorisation Course of The Holy Quran

Since the Inception of MBI, the number of students who have completed memorising the entire Quran has reached a total of 82.

Non Memorisation Course of The Holy Quran

318 students have successfully completed the recitation of the Holy Quran from the beginning to the end together with other core subjects of the curriculum.

Through UK based Charity Organisations, we contributed through our Zakat Funds to relieve financial hardship, distress and suffering among poor people, orphans, victims of natural disasters and other people in need by making grants available for water, clothing, medical treatment, rehabilitation and accommodation.

Madrasah Baytul Ilm strives to support relief projects for the purpose and benefit of the communities. We recognise that it is imperative on every individual to assist and support those who are less fortunate regardless of their colour or faith.

During this financial year, we have collected and used our funds to provide emergency aid in afflicted countries, also we have been working with charities who transform lives in impoverished communities by empowering them and support self-sustainable projects and other necessities to those most in need.

Investment performance

MBI has purchased a property for investment purposes. The future rental income received will fund the rent paid for the other buildings.

MADRASAH BAYTUL ILM
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2022

FINANCIAL REVIEW

Financial position

The results for the year are set out in the attached accounts. Incoming resources amounted to £273,187 (2021: £225,335) and resources expended amounted to £249,490 (2021: £199,366). This has resulted in a surplus of £23,697 (2021: £25,969 surplus).

During the year the charity raised £63,551 (2021: £53,455) in donations from general public as well as generating investment income of £7,877.

In addition to this, the charity also generated a fee income in the sum £201,759 (2021: £164,252) from its classes.

Reserves policy

The total reserves held by the charity as at 31 August 2022 amounted to £730,165 (2021: £706,468).

This consists of unrestricted funds of £725,403 (2021: £699,890) and restricted funds in the sum of £4,762 (2021: £6,578).

The trustees consider it prudent that unrestricted reserves should be sufficient for the charity's use.

The trustees have decided that there is a need to maintain unrestricted reserves for the following reasons:

- (a) To provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice and
- (b) To cover administration and support costs without which the charity could not function.

The Board of Trustees are satisfied that the charity is in a position to meet all its commitments out of the income generated and that its reserves are sufficient for its purposes at the present time.

FUTURE PLANS

As the charity is currently producing a surplus, we aim to initially set aside funds to cover future anticipated overheads and commitments i.e. renovations and extensions to the main building.

Improving the facilities at Madrasah Baytul Ilm is a key priority for us in our future plans. We aim to create a more improved washroom area for our congregation. In order to do this, we aim to set aside funds to complete this project.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Madrasah Baytul 'Ilm (MBI) was established on 3 December 2003 to meet the need for providing a quality educational provision for the local community.

Madrasah Baytul Ilm operated as an unregistered voluntary organisation. It constituted a trust deed on 01/04/2010 in view of registering with the Charity Commissioners. On 09/05/2011 Madrasah Baytul Ilm was granted registration as an unincorporated charity (Charity Number 1141791).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1141791

Principal address

Spinney Hill Road
Leicester
LE5 3GH

Trustees

Shaykh Ismail Dhorat Trustee
Mr Siraz Daud Adam Trustee
Mr Mohammed Dawood Trustee

MADRASAH BAYTUL ILM
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner

Nazir Malida FCCA
Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

Approved by order of the board of trustees on 23rd June 2023 and signed on its behalf by:

Shaykh Ismail Dhorat - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MADRASAH BAYTUL ILM**

Independent examiner's report to the trustees of Madrasah Baytul Ilm

I report to the charity trustees on my examination of the accounts of Madrasah Baytul Ilm (the Trust) for the year ended 31st August 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, 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 Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

Nazir Malida FCCA

Watergates Ltd
109 Coleman Road
Leicester
LE5 4LE

23rd June 2023

MADRASAH BAYTUL ILM

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2022

		Unrestricted fund £	Restricted fund £	31/8/22 Total funds £	31/8/21 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies		47,367	16,184	63,551	53,455
Charitable activities					
Teaching and prayer facilities		201,759	-	201,759	164,252
Investment income	2	7,877	-	7,877	7,628
Total		257,003	16,184	273,187	225,335
EXPENDITURE ON					
Charitable activities					
Teaching and prayer facilities		231,490	-	231,490	199,366
Donations given - Zakat		-	18,000	18,000	-
Total		231,490	18,000	249,490	199,366
NET INCOME/(EXPENDITURE)		25,513	(1,816)	23,697	25,969
RECONCILIATION OF FUNDS					
Total funds brought forward		699,890	6,578	706,468	680,499
TOTAL FUNDS CARRIED FORWARD		725,403	4,762	730,165	706,468

The notes on page 0 form part of these financial statements

MADRASAH BAYTUL ILM

STATEMENT OF FINANCIAL POSITION
31ST AUGUST 2022

	Notes	Unrestricted fund £	Restricted fund £	31/8/22 Total funds £	31/8/21 Total funds £
FIXED ASSETS					
Tangible assets	6	466,059	-	466,059	478,259
Investment property	7	159,495	-	159,495	159,495
		<u>625,554</u>	<u>-</u>	<u>625,554</u>	<u>637,754</u>
CURRENT ASSETS					
Debtors	8	4,742	-	4,742	5,542
Cash at bank and in hand		140,107	4,762	144,869	109,761
		<u>144,849</u>	<u>4,762</u>	<u>149,611</u>	<u>115,303</u>
CREDITORS					
Amounts falling due within one year	9	(4,980)	-	(4,980)	(4,069)
		<u>139,869</u>	<u>4,762</u>	<u>144,631</u>	<u>111,234</u>
NET CURRENT ASSETS					
		<u>139,869</u>	<u>4,762</u>	<u>144,631</u>	<u>111,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>765,423</u>	<u>4,762</u>	<u>770,185</u>	<u>748,988</u>
CREDITORS					
Amounts falling due after more than one year	10	(40,020)	-	(40,020)	(42,520)
		<u>725,403</u>	<u>4,762</u>	<u>730,165</u>	<u>706,468</u>
NET ASSETS					
		<u>725,403</u>	<u>4,762</u>	<u>730,165</u>	<u>706,468</u>
FUNDS	12				
Unrestricted funds				725,403	699,890
Restricted funds				4,762	6,578
TOTAL FUNDS				<u>730,165</u>	<u>706,468</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23rd June 2023 and were signed on its behalf by:

Shaykh Ismail Dhorat - Trustee

The notes on page 0 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2022****1. ACCOUNTING POLICIES****BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

INCOME

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

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 25% on cost

INVESTMENT PROPERTY

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

TAXATION

The charity is exempt from tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2022

2. INVESTMENT INCOME

	31/8/22	31/8/21
	£	£
Rents received	<u>7,877</u>	<u>7,628</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

Mr I Dhorat is a trustee of the charity he was paid £8,553.33 (2021: £8,232) for his teaching duties.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st August 2022 nor for the year ended 31st August 2021.

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31/8/22	31/8/21
	15	13
Teaching staff	<u>15</u>	<u>13</u>

No employees received emoluments in excess of £60,000.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	46,950	6,505	53,455
Charitable activities			
Teaching and prayer facilities	164,252	-	164,252
Investment income	<u>7,628</u>	<u>-</u>	<u>7,628</u>
Total	<u>218,830</u>	<u>6,505</u>	<u>225,335</u>
EXPENDITURE ON			
Charitable activities			
Teaching and prayer facilities	<u>199,366</u>	<u>-</u>	<u>199,366</u>
NET INCOME	19,464	6,505	25,969
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>680,426</u>	<u>73</u>	<u>680,499</u>
TOTAL FUNDS CARRIED FORWARD	<u>699,890</u>	<u>6,578</u>	<u>706,468</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2022

6. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1st September 2021 and 31st August 2022	595,886	20,328	616,214
DEPRECIATION			
At 1st September 2021	118,753	19,202	137,955
Charge for year	11,918	282	12,200
At 31st August 2022	130,671	19,484	150,155
NET BOOK VALUE			
At 31st August 2022	465,215	844	466,059
At 31st August 2021	477,133	1,126	478,259

7. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st September 2021 and 31st August 2022	159,495
NET BOOK VALUE	
At 31st August 2022	159,495
At 31st August 2021	159,495

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/22 £	31/8/21 £
Trade debtors	-	800
Other debtors	542	542
Prepayments and accrued income	4,200	4,200
	4,742	5,542

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2022

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/22 £	31/8/21 £
Taxation and social security	1,064	669
Other creditors	3,916	3,400
	<u>4,980</u>	<u>4,069</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/8/22 £	31/8/21 £
Other creditors	40,020	42,520

11. LOANS

An analysis of the maturity of loans is given below:

	31/8/22 £	31/8/21 £
Amounts falling between one and two years:		
Other loans - 1-2 years	40,020	42,520

12. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	699,890	25,513	725,403
Restricted funds			
Donations - Zakat	6,578	(1,816)	4,762
TOTAL FUNDS	<u>706,468</u>	<u>23,697</u>	<u>730,165</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	257,003	(231,490)	25,513
Restricted funds			
Donations - Zakat	16,184	(18,000)	(1,816)
TOTAL FUNDS	<u>273,187</u>	<u>(249,490)</u>	<u>23,697</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2022

12. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	680,426	19,464	699,890
Restricted funds			
Donations - Zakat	73	6,505	6,578
TOTAL FUNDS	<u>680,499</u>	<u>25,969</u>	<u>706,468</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	218,830	(199,366)	19,464
Restricted funds			
Donations - Zakat	6,505	-	6,505
TOTAL FUNDS	<u>225,335</u>	<u>(199,366)</u>	<u>25,969</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.20 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	680,426	44,977	725,403
Restricted funds			
Donations - Zakat	73	4,689	4,762
TOTAL FUNDS	<u>680,499</u>	<u>49,666</u>	<u>730,165</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2022

12. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	475,833	(430,856)	44,977
Restricted funds			
Donations - Zakat	22,689	(18,000)	4,689
TOTAL FUNDS	<u>498,522</u>	<u>(448,856)</u>	<u>49,666</u>

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2022.

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2022**

	31/8/22 £	31/8/21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	63,551	53,455
Investment income		
Rents received	7,877	7,628
Charitable activities		
Fees	201,759	164,252
Total incoming resources	273,187	225,335
EXPENDITURE		
Charitable activities		
Wages	171,572	148,967
Rent	16,800	16,800
Rates and water	2,856	2,653
Insurance	1,575	1,427
Light and heat	11,331	5,744
Telephone	1,802	1,697
Postage and stationery	625	553
Books, resources and prizes	5,851	4,200
Repairs and maintenance	3,804	1,548
Cleaning	176	-
Website	200	-
Subscription	118	50
Depreciation of tangible fixed assets	12,200	12,293
Donations to other charities	18,000	-
	246,910	195,932
Support costs		
Governance costs		
Accountancy and legal fees	2,580	3,434
Total resources expended	249,490	199,366
Net income	23,697	25,969

This page does not form part of the statutory financial statements