

REGISTERED COMPANY NUMBER: 07759249 (England and Wales)
REGISTERED CHARITY NUMBER: 1143799

Trustees' Report and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
MUSLIM COMMUNITY OF ESSEX
(A COMPANY LIMITED BY GUARANTEE)

HMR Accountants Co. Ltd
148 Manor Park Road
Harlsden
NW10 4JR

MUSLIM COMMUNITY OF ESSEX

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for the Year Ended 31 December 2020**

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MUSLIM COMMUNITY OF ESSEX

**Reference and Administrative Details
for the Year Ended 31 December 2020**

TRUSTEES	Mr M T Hussain Mr R R Mawji Mr S M U H Naqvi Dr S Naqvi Mr A Rashid Mr F A Shah Mr M Hussain (appointed 14.11.20) Mr S A R Rizvi (appointed 14.11.20) Mr A M Umlai (appointed 14.11.20)
REGISTERED OFFICE	874 Eastern Avenue Ilford Essex IG2 7HY
REGISTERED COMPANY NUMBER	07759249 (England and Wales)
REGISTERED CHARITY NUMBER	1143799
INDEPENDENT EXAMINER	HMR Accountants Co. Ltd 148 Manor Park Road Harlsden NW10 4JR
SOLICITORS	Woodgrange Solicitors LLP 46 Woodgrange Road Forest Gate London E7 0QH
ADVISERS	HM Accountax Ltd 86-90 Paul Street London EC2A 4NE

MUSLIM COMMUNITY OF ESSEX (REGISTERED NUMBER: 07759249)**Trustees' Report
for the Year Ended 31 December 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. 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**

The Muslim Community of Essex's objective is to advance the religion of Islam and education, the provision of social and religious welfare activities and to provide relief of poverty among Shia Muslims.

Significant activities

The charity provides facilities for observing the important events in the Shia calendar.

1. There are approximately 125 days of importance in the calendar which are marked by observations with special functions. These include the fasting month of Ramadhan and the mourning month of muharram.
2. Daily prayer facilities, five times a day including Fajar before the sunrise.
3. Facilities are provided for Juma prayers every Friday and where participants include other Muslims.
4. Education facilities including madressa.

Public benefit

The trustees have considered the general guidance on public benefit issued by the Charities Commission and have taken due regard of that guidance. The trustees consider that they are satisfied that the charity's activities do provide a public benefit.

FINANCIAL REVIEW**Financial position**

The results for the year are as shown in the financial statements. The statement of financial activities shows the incoming resources and the resources expended by the different activities conducted under the Charity's name. In order to provide a better understanding of the activities undertaken, a summary and analysis of the activities is included.

The Trustees confirm that the annual report and financial statements of MCE comply with the current statutory requirements of the Charity's governing document and the provisions of the applicable charities Statement of Recommended Practice (SORP), UK Accounting Standards and the Charities Act 2011.

The Statement of Financial Activities shows how the Charity's funds have been applied during the year. The gross receipts of the Charity were £63,996 (2019: £120,477). At 31 December 2020, the balance on the restricted fund was £42,285 (2019: £36,650). The charity had a surplus of £10,600 for the year.

Reserves policy

The trustees aim to ensure that sufficient funds are maintained to enable the trust to carry out its activities.

FUTURE PLANS

The charity will continue to focus on promoting the advancement of Islamic religion among the shia muslims. It will also continue to improve the facilities provided at MCE.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing document**

Muslim Community of Essex ("MCE") is a company limited by guarantee incorporated on 1 September 2011.

The charitable company is governed by a Memorandum and Articles of Association. It was registered as a charity with the Charity Commission on 14 September 2011.

In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The charity is governed by a board of trustees drawn from local community. This is to ensure that the board has skills and experience required to oversee the management of the charity and its operation.

MUSLIM COMMUNITY OF ESSEX (REGISTERED NUMBER: 07759249)**Trustees' Report
for the Year Ended 31 December 2020****STRUCTURE, GOVERNANCE AND MANAGEMENT****Induction and training of new trustees**

All new trustees receive a planned induction programme before taking up their place on the board. This includes an explanation of their roles and responsibilities, an induction to other trustees, an overview of the recent business and an explanation of board format and process.

Key management remuneration

The trustees are considered to be the key management personnel of the charity, in charge of directing and controlling the charity and running its day to day operations. All trustees give of their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with Board of Trustees, and, in accordance with trusts policy, withdraw from decision where a conflict of interest arises.

Details of trustee expenses and related party transactions are disclosed in notes to the accounts.

Related parties

The Charity does not hold assets on behalf of any another Charity, company or individual.

Risk management

The trustees have examined the major strategic, business and operational risks which the trust faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE INDEPENDENT EXAMINER:

In so far as the trustees are aware:

- there is no relevant accounting information of which the charity's independent examiner are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the independent examiner are aware of that information.

TRUSTEES' RESPONSIBILITY STATEMENT

The trustees (who are also the directors of Muslim Community Of Essex for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

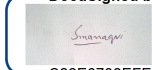
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 14 November 2021 and signed on its behalf by:

DocuSigned by:



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Dr S Naqvi - Trustee

**Independent Examiner's Report to the Trustees of
Muslim Community Of Essex (Registered number: 07759249)**

Independent examiner's report to the trustees of Muslim Community Of Essex ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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.

DocuSigned by:

Mr Rizwan Kiyani

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Rizwan Kiyani

ACCA

HMR Accountants Co. Ltd

148 Manor Park Road

Harlsden

NW10 4JR

14 November 2021

MUSLIM COMMUNITY OF ESSEX

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		29,843	5,585	35,428	52,067
Charitable activities					
Charitable activity		6,533	-	6,533	45,611
Other trading activities	2	-	50	50	-
Investment income	3	21,984	-	21,984	22,799
Total		58,360	5,635	63,995	120,477
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	4	-	-	-	100
		-	-	-	100
Charitable activities	5				
Charitable activity		31,108	-	31,108	50,429
Other		22,287	-	22,287	49,930
Total		53,395	-	53,395	100,459
NET INCOME		4,965	5,635	10,600	20,018
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		-	-	-	349,147
Net movement in funds		4,965	5,635	10,600	369,165
RECONCILIATION OF FUNDS					
Total funds brought forward		934,215	36,650	970,865	601,700
TOTAL FUNDS CARRIED FORWARD		939,180	42,285	981,465	970,865

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

MUSLIM COMMUNITY OF ESSEX (REGISTERED NUMBER: 07759249)**Statement of Financial Position
31 December 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	10	762,344	-	762,344	784,598
CURRENT ASSETS					
Debtors	11	43,000	-	43,000	28,000
Cash at bank and in hand		134,836	42,285	177,121	159,267
		177,836	42,285	220,121	187,267
CREDITORS					
Amounts falling due within one year	12	(1,000)	-	(1,000)	(1,000)
NET CURRENT ASSETS		176,836	42,285	219,121	186,267
TOTAL ASSETS LESS CURRENT LIABILITIES		939,180	42,285	981,465	970,865
NET ASSETS		939,180	42,285	981,465	970,865
FUNDS	13				
Unrestricted funds:					
General fund				939,180	934,215
Restricted funds:					
Khums - S Imam				30,849	25,264
Khums - S Saadat				265	265
Building fund				11,171	11,121
				42,285	36,650
TOTAL FUNDS				981,465	970,865

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

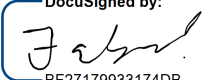
- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

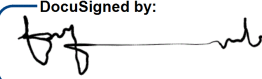
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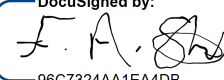
Statement of Financial Position - continued
31 December 2020

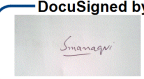
These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 14 November 2021 and were signed on its behalf by:

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Mr M T Hussain - Trustee

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Mr A M Umlai - Trustee

DocuSigned by:

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Mr F A Shah - Trustee

DocuSigned by:

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Dr S Naqvi - Trustee

MUSLIM COMMUNITY OF ESSEX**Notes to the Financial Statements
for the Year Ended 31 December 2020****1. ACCOUNTING POLICIES****Charity information**

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

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 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
Improvements to property	- 20% on cost

Taxation

As the Charity is not registered for VAT, all costs shown are inclusive of VAT. The charity is exempt from corporation 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.

2. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Exceptional items	<u>50</u>	<u>-</u>

MUSLIM COMMUNITY OF ESSEX**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020****3. INVESTMENT INCOME**

	2020	2019
	£	£
Rents received	21,984	22,799

4. RAISING DONATIONS AND LEGACIES

	2020	2019
	£	£
Support costs	-	100

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities £	Totals £
Charitable activity	30,578	530	31,108

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	22,254	25,250
Other operating leases	138	5,327

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

8. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	3,870	13,902
	3,870	13,902

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

	2020	2019
	12	12
Volunteers		

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

MUSLIM COMMUNITY OF ESSEX

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	41,934	10,133	52,067
Charitable activities			
Charitable activity	45,611	-	45,611
Investment income	22,799	-	22,799
Total	110,344	10,133	120,477
EXPENDITURE ON			
Raising funds			
Raising donations and legacies	100	-	100
	100	-	100
Charitable activities			
Charitable activity	50,429	-	50,429
Other	49,930	-	49,930
Total	100,459	-	100,459
NET INCOME	9,885	10,133	20,018
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	349,147	-	349,147
Net movement in funds	359,032	10,133	369,165
RECONCILIATION OF FUNDS			
Total funds brought forward	575,183	26,517	601,700
TOTAL FUNDS CARRIED FORWARD	934,215	36,650	970,865

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £	Totals £
COST				
At 1 January 2020 and 31 December 2020	828,200	43,218	215	871,633
DEPRECIATION				
At 1 January 2020	49,378	37,571	86	87,035
Charge for year	16,564	5,647	43	22,254
At 31 December 2020	65,942	43,218	129	109,289
NET BOOK VALUE				
At 31 December 2020	762,258	-	86	762,344
At 31 December 2019	778,822	5,647	129	784,598

MUSLIM COMMUNITY OF ESSEX

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Prepayments and accrued income	<u>43,000</u>	<u>28,000</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other creditors	<u>1,000</u>	<u>1,000</u>

13. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	934,215	4,965	939,180
Restricted funds			
Khums - S Imam	25,264	5,585	30,849
Khums - S Saadat	265	-	265
Building fund	11,121	50	11,171
	<u>36,650</u>	<u>5,635</u>	<u>42,285</u>
TOTAL FUNDS	<u>970,865</u>	<u>10,600</u>	<u>981,465</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	58,360	(53,395)	4,965
Restricted funds			
Khums - S Imam	5,585	-	5,585
Building fund	50	-	50
	<u>5,635</u>	<u>-</u>	<u>5,635</u>
TOTAL FUNDS	<u>63,995</u>	<u>(53,395)</u>	<u>10,600</u>

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	575,183	359,032	934,215
Restricted funds			
Khums - S Imam	15,241	10,023	25,264
Khums - S Saadat	265	-	265
Building fund	11,011	110	11,121
	<u>26,517</u>	<u>10,133</u>	<u>36,650</u>
TOTAL FUNDS	<u>601,700</u>	<u>369,165</u>	<u>970,865</u>

MUSLIM COMMUNITY OF ESSEX

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	110,344	(100,459)	349,147	359,032
Restricted funds				
Khums - S Imam	10,023	-	-	10,023
Building fund	110	-	-	110
	<u>10,133</u>	<u>-</u>	<u>-</u>	<u>10,133</u>
TOTAL FUNDS	<u>120,477</u>	<u>(100,459)</u>	<u>349,147</u>	<u>369,165</u>

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

	At 1/1/19 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	575,183	363,997	939,180
Restricted funds			
Khums - S Imam	15,241	15,608	30,849
Khums - S Saadat	265	-	265
Building fund	11,011	160	11,171
	<u>26,517</u>	<u>15,768</u>	<u>42,285</u>
TOTAL FUNDS	<u>601,700</u>	<u>379,765</u>	<u>981,465</u>

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 £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	168,704	(153,854)	349,147	363,997
Restricted funds				
Khums - S Imam	15,608	-	-	15,608
Building fund	160	-	-	160
	<u>15,768</u>	<u>-</u>	<u>-</u>	<u>15,768</u>
TOTAL FUNDS	<u>184,472</u>	<u>(153,854)</u>	<u>349,147</u>	<u>379,765</u>

MUSLIM COMMUNITY OF ESSEX

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.