

SOUTH ESSEX ISLAMIC TRUST
Unaudited Financial Statements
31 March 2023

SOROBAN ACCOUNTANTS
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Romford, Essex
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SOUTH ESSEX ISLAMIC TRUST

Financial Statements

Year ended 31 March 2023

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SOUTH ESSEX ISLAMIC TRUST

Trustees' Annual Report

Year ended 31 March 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name SOUTH ESSEX ISLAMIC TRUST

Charity registration number 1145311

Principal office Barge Inn
High Road
Vange
Basildon
SS16 4ND

The trustees

H RAFIQ	- Chairman
M RAFIQ	
MOHAMMED YAQUB	
SALIM WALI	
IBRAHIM NISHAD	(Resigned 31 August 2023)
NAZIRUDEEN	
DR M A AYUB	

Independent examiner M A NADEEM - FCCA
180 London Road
Romford, Essex
RM7 9EU

Structure, governance and management

Governing Document

The organisation was registered as a Charity on 06th January 2012 with a declaration of trust dated 15th December 2011 outlining the administration, objects and powers of the charity. The organisation has a constitution which has been amended over the years by means of a number of resolutions passed by the members. The charity's trustees are responsible for the preparation of financial statements in accordance with the Charities Act 2011, Induction and training of new trustees. Newly appointed trustees are provided with a trustees' pack, the Charity Commission guide 'the Essential Trustee' and , financial report, annual report and any strategic and operational plans.

Organisational Structure

The Board of Trustees / Management Committee currently has a total of 6 people. The Trustees are elected every three years by the members. The Board / Management Committee meets regularly at least monthly and more frequently if required. Sub groups are set up as needed to progress specific pieces of work. Recommendations are reported to the full Board meeting for decision. The Board is responsible for the strategic direction and policy of the organisation and for robust governance and rigorous financial management. The Board / Management Committee have a Chairman, Vice Chairman, Secretary and Treasurer as specific office bearers. Sub committees consist of any of the trustees, depending on their individual area of expertise, strength or interest.

SOUTH ESSEX ISLAMIC TRUST

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Objectives and activities

The trustees must apply the income of the charity in furthering the following objects: 1) to advance the education of the public by providing classes for the teaching of the Quran, Islamic education and Arabic lessons; 2) to enhance the development and education of children under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups; and 3) the relief of financial need and suffering among victims of natural or other kinds of disaster.

Achievements and performance

The organisation has provided religious facilities for prayers. The organisation has provided after Sunday school provision for children from the local area; this includes development of their religious understanding of Islam and other religions, academic studies and sporting and leisure opportunities.

Financial review

The result for the year are shown on page 'Statement of financial Activities'. The progress during the year and the position at the year-end is considered to be satisfactory. The receipts received for the running of the Centre is donations from public.

The trustees' annual report was approved on 15 January 2024 and signed on behalf of the board of trustees by:

H RAFIQ
Trustee

SOUTH ESSEX ISLAMIC TRUST

Independent Examiner's Report to the Trustees of SOUTH ESSEX ISLAMIC TRUST

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of SOUTH ESSEX ISLAMIC TRUST ('the charity') for the year ended 31 March 2023.

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

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.

M A NADEEM - FCCA
Independent Examiner

180 London Road
Romford, Essex
RM7 9EU

15 January 2024

SOUTH ESSEX ISLAMIC TRUST

Statement of Financial Activities

Year ended 31 March 2023

		Unrestricted funds £	2023 Restricted funds £	Total funds £	2022 Total funds £
	Note				
Income and endowments					
Donations and legacies	4	200,444	225	200,669	214,339
Total income		<u>200,444</u>	<u>225</u>	<u>200,669</u>	<u>214,339</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	5	—	225	225	70
Expenditure on charitable activities	6	29,728	—	29,728	6,076
Total expenditure		<u>29,728</u>	<u>225</u>	<u>29,953</u>	<u>6,146</u>
Net income and net movement in funds		<u>170,716</u>	<u>—</u>	<u>170,716</u>	<u>208,193</u>
Reconciliation of funds					
Total funds brought forward		624,964	—	624,964	416,771
Total funds carried forward		<u>795,680</u>	<u>—</u>	<u>795,680</u>	<u>624,964</u>

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

SOUTH ESSEX ISLAMIC TRUST**Statement of Financial Position****31 March 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	11	737,813	640,985
Current assets			
Debtors	12	–	44,072
Cash at bank and in hand		57,867	50,907
		<u>57,867</u>	<u>94,979</u>
Net current assets		<u>57,867</u>	<u>94,979</u>
Total assets less current liabilities		795,680	735,964
Creditors: amounts falling due after more than one year	13	–	111,000
Net assets		<u>795,680</u>	<u>624,964</u>
Funds of the charity			
Unrestricted funds		795,680	624,964
Total charity funds	14	<u>795,680</u>	<u>624,964</u>

These financial statements were approved by the board of trustees and authorised for issue on 15 January 2024, and are signed on behalf of the board by:

H RAFIQ
Trustee

SOUTH ESSEX ISLAMIC TRUST

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income	170,716	208,193
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	2,780	–
<i>Changes in:</i>		
Trade and other debtors	44,072	(42,282)
Trade and other creditors	(111,000)	(15,000)
Cash generated from operations	106,568	150,911
Net cash from operating activities	<u>106,568</u>	<u>150,911</u>
Cash flows from investing activities		
Purchase of tangible assets	(99,608)	(149,754)
Net cash used in investing activities	<u>(99,608)</u>	<u>(149,754)</u>
Net increase in cash and cash equivalents	6,960	1,157
Cash and cash equivalents at beginning of year	50,907	49,750
Cash and cash equivalents at end of year	<u>57,867</u>	<u>50,907</u>

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

SOUTH ESSEX ISLAMIC TRUST

Notes to the Financial Statements

Year ended 31 March 2023

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 Barge Inn, High Road, Vange, Basildon, SS16 4ND.

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.

SOUTH ESSEX ISLAMIC TRUST

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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.

SOUTH ESSEX ISLAMIC TRUST

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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:

Freehold property	-	5% reducing balance
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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.

SOUTH ESSEX ISLAMIC TRUST

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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 2023 £
Donations			
Donations	196,156	–	196,156
Gift Aid	3,538	–	3,538
Fitra	–	225	225
Other donations and legacies			
Donated examination fee	750	–	750
	<u>200,444</u>	<u>225</u>	<u>200,669</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	170,447	–	170,447
Gift Aid	43,072	–	43,072
Fitra	–	70	70
Other donations and legacies			
Donated examination fee	750	–	750
	<u>214,269</u>	<u>70</u>	<u>214,339</u>

SOUTH ESSEX ISLAMIC TRUST

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

5. Costs of raising donations and legacies

	Restricted Funds £	Total Funds 2023 £	Restricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies - Donations	225	225	70	70

6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Mosque activities	26,197	–	26,197	5,326
Governance costs	–	3,531	3,531	750
	26,197	3,531	29,728	6,076

7. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	2,780	–
Fees payable for the audit of the financial statements	750	750

8. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	750	750

9. Staff costs

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

	2023 £	2022 £
Wages and salaries	13,345	–

The average head count of employees during the year was 6 (2022: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of Imam	1	1
Number of Administrative volunteer	5	5
	6	6

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

SOUTH ESSEX ISLAMIC TRUST

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Trustee remuneration and expenses

During the year the Charity was under the control of Trustees and Management Committee members as listed on page 1. None of the Trustee or Management Committee member were remunerated or paid any expense. However, they used the facilities offered by the Charity for performance of their religious duties like other members of the Muslim community.

11. Tangible fixed assets

	Freehold property £
Cost	
At 1 April 2022	640,985
Additions	99,608
At 31 March 2023	<u>740,593</u>
Depreciation	
At 1 April 2022	—
Charge for the year	2,780
At 31 March 2023	<u>2,780</u>
Carrying amount	
At 31 March 2023	<u>737,813</u>
At 31 March 2022	<u>640,985</u>

Title deeds relating to property (Barge Inn, High Road, Vange, Basildon, Essex SS16 4ND) is registered in the name of Charity and are held by the Trustees on behalf of the Charity.

12. Debtors

	2023 £	2022 £
Prepayments and accrued income	—	1,000
Other debtors	—	43,072
	<u>—</u>	<u>44,072</u>

13. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	—	111,000
	<u>—</u>	<u>111,000</u>

SOUTH ESSEX ISLAMIC TRUST

Notes to the Financial Statements (continued)

Year ended 31 March 2023

14. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
General funds	624,964	200,444	(29,728)	795,680

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	416,771	214,269	(6,076)	624,964

Restricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
Restricted Fund	–	225	(225)	–

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
Restricted Fund	–	70	(70)	–

15. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	737,813	737,813
Current assets	57,867	57,867
Creditors greater than 1 year	–	–
Net assets	795,680	795,680

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	640,985	640,985
Current assets	94,979	94,979
Creditors greater than 1 year	(111,000)	(111,000)
Net assets	624,964	624,964

16. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	50,907	6,960	57,867

SOUTH ESSEX ISLAMIC TRUST

Management Information

Year ended 31 March 2023

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

SOUTH ESSEX ISLAMIC TRUST**Detailed Statement of Financial Activities****Year ended 31 March 2023**

	2023	2022
	£	£
Income and endowments		
Donations and legacies		
Donations	196,156	170,447
Gift Aid	3,538	43,072
Fitra	225	70
Donated examination fee	750	750
	<u>200,669</u>	<u>214,339</u>
Total income	<u><u>200,669</u></u>	<u><u>214,339</u></u>
Expenditure		
Costs of raising donations and legacies		
Fitra	<u>225</u>	<u>70</u>
Expenditure on charitable activities		
Wages and salaries	13,345	–
Rent	233	3,024
Light and heat	2,464	274
Insurance	2,909	2,028
Iftar Cost	438	–
Motor vehicle expenses	163	–
Vehicle leasing/hire	5,446	–
Legal and professional fees	750	750
Telephone	362	–
Other office costs	837	–
Depreciation	<u>2,781</u>	<u>–</u>
	<u>29,728</u>	<u>6,076</u>
Total expenditure	<u><u>29,953</u></u>	<u><u>6,146</u></u>
Net income	<u><u>170,716</u></u>	<u><u>208,193</u></u>

SOUTH ESSEX ISLAMIC TRUST

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2023

	2023 £	2022 £
Costs of raising donations and legacies		
Costs of raising donations and legacies - Donations		
Fitra	225	70
	<u>225</u>	<u>70</u>
Costs of raising donations and legacies	<u>225</u>	<u>70</u>
Expenditure on charitable activities		
Mosque activities		
<i>Activities undertaken directly</i>		
Wages/salaries	13,345	—
Rent	233	3,024
Light & heat	2,464	274
Insurance	2,909	2,028
Iftar cost	438	—
Training	163	—
Donation to other charities	5,446	—
Telephone	362	—
Other office costs	837	—
	<u>26,197</u>	<u>5,326</u>
Governance costs		
Governance costs - examination fee	750	750
Governance costs - depreciation	2,781	—
	<u>3,531</u>	<u>750</u>
Expenditure on charitable activities	<u>29,728</u>	<u>6,076</u>