

Charity Registration No. 1155170

Company Registration No. CE001569 (England and Wales)

MADRASSA FAIZ-E-RAZA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

MADRASSA FAIZ-E-RAZA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A M Soneji Mr I N Patel Mr M G Mohamed Mr S Bajibhai
Charity number	1155170
Company number	CE001569
Registered office	15 Bradbourne Road Leicester LE5 5AL
Independent examiner	Figure Fact 1St Floor 182-184 Edgware Road London W2 2DS

MADRASSA FAIZ-E-RAZA

CONTENTS

	Page
Trustees report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 11

MADRASSA FAIZ-E-RAZA

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2020

The trustees present their report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Madrassa's [governing document], the Companies Act 2006 and "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

The Charity's objects are to engage in advancing the Islamic religion in particular holding madrassa classes for children. Make available to the community premises for daily prayers and congregation.

The policies adopted in furtherance of these objects are through public education, mass communication, seminars, conference, media publicity and to celebrate national festivals. To advance education for the benefit of public and there has been no change in these during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Madrassa should undertake.

Achievements and performance

The Madrassa and the Mosque are fully functional this year.

More children have joined the Madrassa who are benefitting from the education.

The Mosque is being used by the people for the daily prayers.

Financial review

The trustees are confident that the charity will continue to secure sufficient funding in future years to carry out its objectives.

It is the policy of the Madrassa that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Madrassa's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees has assessed the major risks to which the Madrassa is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Madrassa was established by a charitable trust deed on 3 January 2014.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A M Soneji

Mr I N Patel

Mr M G Mohamed

Mr S Bajibhai

The power of appointment of new or additional trustees is vested in the trustees. The governing document provides for a minimum of 3 trustees, but does not provide for a maximum number. The power to appoint new directors is vested in the board of trustees.

The trustees report was approved by the Board of Trustees.

MADRASSA FAIZ-E-RAZA

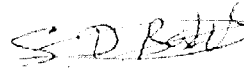
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020



Mr I N Patel

Trustee

Dated: 31 May 2021



Mr S Bajibhai

Trustee

Dated: 31 May 2021

MADRASSA FAIZ-E-RAZA

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MADRASSA FAIZ-E-RAZA

I report to the trustees on my examination of the financial statements of Madrassa Faiz-E-Raza (the Madrassa) for the year ended 31 July 2020.

Responsibilities and basis of report

As the trustees of the Madrassa (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Madrassa 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 the Madrassa's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 that in any material respect:

- 1 accounting records were not kept in respect of the Madrassa as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.



Figure Fact

1St Floor
182-184 Edgware Road
London
W2 2DS

Dated: 9/6/21

MADRASSA FAIZ-E-RAZA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Notes		
<u>Income and endowments from:</u>			
Donations	2	33,281	38,503
Other income	3	4,516	11,982
Total income		37,797	50,485
<u>Expenditure on:</u>			
Mosque and Madrasa running costs	4	25,707	30,758
Net income for the year/ Net movement in funds		12,090	19,727
Fund balances at 1 August 2019		169,410	149,682
Fund balances at 31 July 2020		181,500	169,409

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MADRASSA FAIZ-E-RAZA

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	8		273,129		273,784
Current assets					
Debtors	9	999		-	
Cash at bank and in hand		5,207		4,436	
		6,206		4,436	
Creditors: amounts falling due within one year	10	(97,835)		(108,811)	
Net current liabilities			(91,629)		(104,375)
Total assets less current liabilities			181,500		169,409
Income funds					
Unrestricted funds			181,500		169,409
			181,500		169,409

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2020.

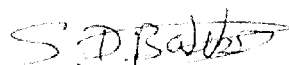
The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 31 May 2021

Mr I N Patel
Trustee



Mr S Bajibhai
Trustee

Company Registration No. CE001569

MADRASSA FAIZ-E-RAZA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity information

Madrassa Faiz-E-Raza is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Bradbourne Road, Leicester, LE5 5AL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Madrassa's [governing document], the Companies Act 2006 and "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)". The Madrassa is a Public Benefit Entity as defined by FRS 102.

The Madrassa has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Madrassa. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Madrassa has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the Madrassa is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Madrassa has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

MADRASSA FAIZ-E-RAZA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Not depreciated
Fixtures, fittings & equipment	15% on reducing balance

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Madrasa has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Madrasa's balance sheet when the Madrasa becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Madrasa's contractual obligations expire or are discharged or cancelled.

MADRASSA FAIZ-E-RAZA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Madrassa is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 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.

2 Donations

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Donations and gifts	33,281	38,503
Donations and gifts		
Donations	24,277	22,801
Friday collections	3,299	4,825
Madrassa fees	4,805	9,557
Donated clothes income	900	1,320
	33,281	38,503

3 Other income

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Gift aid receipts	4,516	11,982

MADRASSA FAIZ-E-RAZA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

3 Other income (Continued)

4 Mosque and Madrasa running costs

	2020 £	2019 £
Staff costs	18,077	19,941
Depreciation and impairment	1,517	1,632
Rates and Madrasa expenses	1,827	5,087
Light and heat	2,021	1,144
Repairs and maintenance	1,258	757
Print post and stationery	200	159
Sundry	84	100
Telephone	366	486
Insurance	-	1,337
Advertising	337	115
	<u>25,707</u>	<u>30,758</u>

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Madrasa during the year.

MADRASSA FAIZ-E-RAZA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Madrassa teachers	3	2
Mosque Imam	1	1
Volunteers	12	10
	<u>16</u>	<u>13</u>

Employment costs

	2020 £	2019 £
Wages and salaries	<u>18,077</u>	<u>19,941</u>

There were no employees whose annual remuneration was £60,000 or more.

7 Taxation

The charity is exempt from tax on its charitable activities.

8 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 August 2019	<u>264,533</u>	<u>10,113</u>	<u>274,646</u>
At 31 July 2020	<u>264,533</u>	<u>10,113</u>	<u>274,646</u>
Depreciation and impairment			
Depreciation charged in the year	<u>-</u>	<u>1,517</u>	<u>1,517</u>
At 31 July 2020	<u>-</u>	<u>1,517</u>	<u>1,517</u>
Carrying amount			
At 31 July 2020	<u>264,533</u>	<u>8,596</u>	<u>273,129</u>
At 31 July 2019	<u>264,533</u>	<u>9,251</u>	<u>273,784</u>

MADRASSA FAIZ-E-RAZA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

9 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	999	-
	<u>999</u>	<u>-</u>

10 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	465	185
Other creditors	97,370	108,626
	<u>97,835</u>	<u>108,811</u>

11 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).