

Whitethread Institute

**Report and Accounts
Period ended 31st July 2020**

Charity number: 1172677

Contents

| | |
|---|----|
| Reference and Administrative details..... | 3 |
| Trustees' Report..... | 4 |
| Independent Examiner's Report | 7 |
| • Statement of Financial Activities | 8 |
| Balance Sheet..... | 9 |
| Statement of Cash Flows | 10 |
| Notes to the Accounts | 11 |

Reference and Administrative details

| | |
|----------------------------------|--|
| Charity name | Whitethread Institute |
| Registered charity number | 1172677 |
| Principal office address | 329-333 High Street Stratford London E15 2TF |
| Chairperson | A Mangera |
| Trustees | A Mangera M Batha M Mangera R Esakjee |
| Bankers | Unity Trust Bank Nine Brindleyplace Birmingham B1 2HB |
| Independent Examiner | SK Accountants Old Poplar Library 45 Gillender Street Poplar E14 6RN |

Trustees' Report

The trustees have pleasure in presenting their report and the financial statements for the charity for the period ended 31st July 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 2015).

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The Trustees present their report and the financial statements for the period ended 31st July 2020. The Trustees who served during the period and up to the date of this report are set out on page 3.

Structure, Governance and Management

The Charity is constituted as a Charitable Incorporated Organisation (CIO) Foundation, as a body corporate under Part 11 of the Charities Act 2011 on 21 April 2017. The CIO registered with the Charity Commission on the same day.

Objectives and Activities

To advance the religion of Islam for the public benefit in accordance with the beliefs and practices of the four recognized Sunni schools of thought, including the provision of education and training of Muslim leaders and scholars to work in the United Kingdom and elsewhere; and through this to promote and advance religious and racial harmony within the United Kingdom.

Achievements and Performance

In the third academic year of the Whitethread Institute, the institute ran eight full-year programs, two more than the previous year comprising of a module from one of our Academic courses.

We had reached a hundred students enrolling in our full-time courses. We ran a course for women only which attracted 138 participants and a finance course which 42 students took part in.

Our student body represents twenty-eight countries, spanning six continents, many of whom benefit from our courses online. Some of these countries include America, Canada, Australia, New Zealand, Burma, Kenya and Venezuela, to name a few.

Significantly, a large proportion of our students are those already involved in teaching in their respective communities. Moreover, 60% of our student body are female students.

Financial Review

The Charity started with £143,660 of which £2,276 was restricted funds for sponsoring students. The third year of the Institute's courses started in September 2019 in line with the UK academic school year. Approximately £79,000 were raised through donations in the 16 months to 31st July 2020, and around £117,000 came through course fees. The restricted funds were used to sponsor student fees for those who were eligible for the institute's sponsorship policy.

Income for the 16 month period to 31st July 2020 amounted to £204,371 and expenditure amounted to £80,655, which resulted in a surplus of £123,716.

Reserves Policy

Per the Charity Commission guidance, the Trustees regularly review the level of income reserves that it considers appropriate. At 31st July 2020, the Trustees consider it appropriate to aim to hold unrestricted reserves equivalent to three months' core operational running costs which are in the region of £13,500. The unrestricted reserves at 31 July 2020 amounted to £265,806.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of Charity and of the incoming resources and application of resources of the Charity for that year.


In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other.

Approved by the trustees and signed on its behalf by


.....

Date:

Dr Abdur-Rahman Mangera
Chairperson, Board of Trustees

Independent Examiner's Report

To the trustees of Whitethread Institute

I report on the accounts of the above charitable incorporated organisation for the period ended 31 July 2020, which are set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

The Charity's trustees consider that an audit is not required for this period under section 144 of the Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow applicable Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- To state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Charities Act or
- the accounts do not accord with the accounting records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Date:

SK Accountants

Address: Old Poplar Library, 45 Gillender St, Poplar, E14 6RN

Statement of Financial Activities

Period Ended 31 July 2020


| | Notes | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|------------------------------------|-------|-------------------------|-----------------------|--------------------------|--------------------------|
| Incoming resources | | | | | |
| • Donations and legacies | 2 | 78,785 | 8,587 | 87,372 | 22,023 |
| Charitable activities | | 116,999 | - | 116,999 | 76,168 |
| Total Incoming resources | | 195,784 | 8,587 | 204,371 | 98,191 |
| Resources expended | 3 | | | | |
| Charitable activities | | (71,362) | (9,293) | (80,655) | (43,925) |
| Total Resources expended | | (71,362) | (9,293) | (80,655) | (43,925) |
| Net income/(expenditure) | | 124,422 | (706) | 123,716 | 54,266 |
| Net movement in funds | | 124,422 | (706) | 123,716 | 54,266 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 141,384 | 2,276 | 143,660 | 89,394 |
| Total funds carried forward | | 265,806 | 1,570 | 267,376 | 143,660 |

Balance Sheet

As at 31 July 2020

| | Notes | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---|-------|-------------------------|-----------------------|--------------------------|--------------------------|
| Current assets | | | | | |
| Cash at bank and in hand | 8 | 268,287 | 1,570 | 269,857 | 147,097 |
| Total current assets | | 268,287 | 1,570 | 269,857 | 147,097 |
| Creditors: amounts falling due within one year | 9 | (2,481) | - | (2,481) | (3,437) |
| Net current assets/(liabilities) | | 265,806 | 1,570 | 267,376 | 143,660 |
| Total assets less current liabilities | | 265,806 | 1,570 | 267,376 | 143,660 |
| Creditors: amounts falling due after one year | | - | - | - | - |
| Total net assets or liabilities | | 265,806 | 1,570 | 267,376 | 143,660 |
| Funds of the Charity | 10 | | | | |
| Restricted income funds | | - | 1,570 | 1,570 | 2,276 |
| Unrestricted funds | | 265,806 | - | 265,806 | 141,384 |
| Total funds | | 265,806 | 1,570 | 267,376 | 143,660 |

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:


.....

Date:

Dr Abdur-Rahman Mangera
Chairperson, Board of Trustees

Statement of Cash Flows

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Cash flows from operating activities: | | |
| Net movement in funds | 123,716 | 54,266 |
| Less decrease in creditors | (956) | 827 |
| Net cash flow of operating activities | 122,760 | 55,093 |
| Change in cash and cash equivalents in the year | 122,760 | 55,093 |
| Cash and Cash equivalents brought forward | 147,097 | 92,004 |
| Total cash and cash equivalents at the end of the year | 269,857 | 147,097 |

Notes to the Accounts

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation (FRS102)

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) and the Charities Act 2011.

Whitethread Institute 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 note(s).

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Income received in advance of a project or provision of other specified service is deferred until the criteria for income recognition are met.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised based on the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which

the Trustees have decided to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure

- Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's artistic programmes and activities. Support costs have been allocated in proportion to expenditure incurred in undertaking an activity.

Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a reducing balance basis as follows:

| Asset Category | Annual rate |
|---|-------------|
| Fixtures, Fittings and Electrical equipment | 15% |

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and amounts in deposit accounts.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Analysis of Incoming Resources

| | Unrestricted funds | Restricted funds | 2020 Total funds | 2019 Total funds |
|------------------------|--------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Donations and legacies | 78,785 | 8,587 | 87,372 | 22,023 |
| Charitable activities | 116,999 | - | 116,999 | 76,168 |
| Total | 195,784 | 8,587 | 204,371 | 98,191 |

3. Analysis of Resources expended

| | Staff costs | Other costs | Support costs | 2020 Total | 2019 Total |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| | £ | £ | £ | £ | £ |
| Charitable activities | | | | | |
| Activities undertaken directly: | 33,274 | 12,494 | 34,887 | 80,655 | 43,925 |
| Total | 33,274 | 12,494 | 34,887 | 80,655 | 43,925 |

4. Analysis of staff costs, Charity remuneration and expenses, and key management personnel.

| | 2020 | 2019 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Salaries and Staff Wages | 33,797 | 22,086 |
| Social Security Costs | (523) | 523 |
| Total | 33,274 | 22,609 |

No employees had employee benefits more than £60,000

The charity trustees were not paid or received any other benefits from employment with the charity, neither were they reimbursed expenses during the period. No other charity received payment for professional or other services supplied to the charity.

5. Staff Numbers

The average monthly head count was 4 staff and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the period were as follows:

| | 2020 | 2019 |
|-----------------------|----------|----------|
| | <u>2</u> | <u>1</u> |
| Charitable Activities | <u>2</u> | <u>1</u> |

6. Related Party Transactions

Neither the Trustees nor any persons connected with them received any remuneration, benefits in kind from the Charity during the period. During the period under review, no trustees received reimbursement of travelling expenses.

7. Corporation Taxation

The charity is exempt from corporation tax on its income and gains to the extent that these are applied to its charitable objectives.

8. Cash at Bank and in Hand

| | 2020 £ | 2019 £ |
|--------------|-----------------------|-----------------------|
| Cash at Bank | 269,434 | 144,310 |
| Cash in Hand | 423 | 2,787 |
| Total | <u>269,857</u> | <u>147,097</u> |

9. Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|-----------------------|---------------------|---------------------|
| Net Wages | 2,446 | 2,869 |
| Social Security Taxes | 35 | 568 |
| Total | <u>2,481</u> | <u>3,437</u> |

Whitethread Institute
Period ended 31 July 2020

10. Charity Funds

| Fund names | | 2019 Balance B/F £ | Income £ | Expenditure £ | Transfers £ | 2020 Balance C/F £ |
|--------------------|--------------|-----------------------------|----------------|------------------|----------------|-----------------------------|
| Zakaat | Restricted | 2,276 | 8,587 | (9,293) | - | 1,570 |
| General Fund | Unrestricted | 141,384 | 195,784 | (71,362) | - | 265,806 |
| Total Funds | | 143,660 | 204,371 | (80,655) | - | 267,376 |

| Fund names | | 2018 Balance B/F £ | Income £ | Expenditure £ | Transfers £ | 2019 Balance C/F £ |
|--------------------|--------------|-----------------------------|---------------|------------------|----------------|-----------------------------|
| Zakaat | Restricted | 757 | 3,549 | (2,030) | - | 2,276 |
| General Fund | Unrestricted | 88,637 | 94,642 | (41,895) | - | 141,384 |
| Total Funds | | 89,394 | 98,191 | (43,925) | - | 143,660 |