

Charity registration number: 1184908

# At-Tawheed Foundation

Annual Report and Financial Statements

for the Year Ended 31 March 2021

## **At-Tawheed Foundation**

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## **At-Tawheed Foundation**

### **Reference and Administrative Details**

<b>Trustees</b>	Mohammed Nazakit Dr Mohammed Fazlulla Haris Farhan Abbas Malik (appointed on 28/02/2021) Qari Zaka Ullah Saleem (resigned on 11/02/2021) Mr Naumaan Shabir (resigned on 11/02/2021) Anwar Ali (appointed on 19/02/2021 and resigned on 24/03/2021)
<b>Principal Office</b>	Markaz At-Tawheed Rectory Road Shelton Stoke-on-Trent ST1 4PW
<b>Charity Registration Number</b>	1184908
<b>Bankers</b>	<b>NatWest</b> 1 Upper Market Square Hanley Stoke-on-Trent ST1 1NS
<b>Independent Examiner</b>	Adeel Khan Jadoon FCCA SAF Accountants 2 Bow Meadow Grange Manchester M12 4HG

## **At-Tawheed Foundation**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2021.

#### **Objectives and activities**

##### ***Objects and aims***

The CIO constitution defines the charity's objects are to advance the Islamic religion in accordance with the Ahl-ul-Hadith creed and methodology for the benefit of public in particular but without limitation, through the holding of prayer meetings, lectures, producing and/or distributing literature on Islamic faith to enlighten others about Islamic religion.

The objectives for the year were to continue to raise funds to maintain and improve existing facilities. Funds are raised by voluntary collections in the mosques. There are no specific fundraising targets set, the charity relies on the willingness of individuals to contribute what they can afford to donate.

##### ***Public benefit***

The trustees have considered this, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded that:

- the aims of the charity continue to be charitable;
- the work done by the charity gives identifiable benefits to the charitable sector and both directly and indirectly to individuals in need;
- the benefits are for the public; not unreasonably restricted in anyway;
- there is no detriment or harm arising from the aims or activities.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Achievements and performance**

During this year the charity continued to improve its activities, finance as well as facilities as listed below:

- a) Provide services of mosques to promote Islamic faith to all age groups.
- b) Provide supplementary school (Madrasah) classes to teach the children the Quran and Islamic Studies.
- c) Arrange regular talks and lectures.
- d) Facilitate youth empowerment workshops.
- e) Arrange special talks for sisters.
- f) Each centre is financially independent; there is no transfer of funds between the centres.

The charity runs the following three mosques within Stoke on Trent:

1. Markaz At-Tawheed, Rectory Road, Shelton
2. Markaz As-Sunnah, Ladywell Road, Tunstall
3. Markaz Al-Huda, Furnace Road, Normacot

#### **Financial review**

During the year, the charity raised £741k (2020: £0) and after spending £41k (2020: £0), the charity carry forward reserves were £700k (2020: £0).

During the period, At-Tawheed Foundation Trust (Charity reg: 1130558) incorporated into a CIO At-Tawheed Foundation (Charity reg: 1184908). As part of this process, both entities signed a transfer agreement that required At-Tawheed Foundation Trust (Charity reg: 1130558) to transfer all its assets and liabilities to the CIO (Charity reg: 1184908). During the period, At-Tawheed Foundation Trust (Charity reg: 1130558) transferred its properties and loans into the CIO (Charity reg: 1184908). The transfer was treated as a grant given of £686k from At-Tawheed Foundation Trust (Charity reg: 1130558). This grant includes: £190k of cash balances and £496k of fixed assets.

#### **Policy on reserves**

The charity has sufficient reserves to meet future core costs

## **At-Tawheed Foundation**

### **Trustees' Report**

#### **Plans for future periods**

The charity envisages to conduct the following tasks as part of its plans for the future.

**Promotion of faith:** Propagation of Muslim faith to the younger generation by introducing a range of activities that attract and inspire them more than the traditional services offered.

#### **Renovation:**

1. **Markaz at-Tawheed:** To complete the construction of a new mortuary to cater for the needs of the Centre.
2. **Markaz As-Sunnah:** To complete the renovation of the main hall of the centre and construct a double story structure to cater for the needs of the congregation.
3. **Markaz Al-Huda:** To expand the existing prayer hall due to the increase in the number of the congregation.

#### **Structure, governance and management**

##### ***Nature of governing document***

The charity is a charitable incorporated Organisation (CIO), governed by CIO constitution and registered with the Charity Commission on 15 August 2019.

##### ***Organisational structure***

Trustees are responsible for setting strategies and policies for ensuring these are implemented.

##### ***Major risks and management of those risks***

The charity's trustees have considered the major risks to which the charity is exposed and have reviewed potential risks. Systems and procedures have been put in place to manage the risks and to mitigate any adverse outcomes.

The annual report was approved by the trustees of the charity on 22/04/2021 and signed on its behalf by:



.....  
Mohammed Nazakit  
Chair

## **At-Tawheed Foundation**

### **Statement of Trustees' Responsibilities**

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

The law applicable to charities 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 charity and of the incoming resources and application of resources of the charity for that period. 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 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 business.

The trustees are responsible for keeping proper accounting records that 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 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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 irregularities.

## **At-Tawheed Foundation**

### **Independent Examiner's Report to the trustees of At-Tawheed Foundation**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 6 to 14.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of At-Tawheed Foundation 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 At-Tawheed Foundation's accounts 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 At-Tawheed Foundation 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 accounting 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.



.....  
Adeel Khan Jadoon FCCA  
SAF Accountants  
2 Bow Meadow Grange  
Manchester  
M12 4HG

Date: 22/04/2021.....

# At-Tawheed Foundation

## Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted Funds £	Total 2021 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	726,003	726,003
Other income	3	14,981	14,981
Total income		740,984	740,984
<b>Expenditure on:</b>			
Charitable activities	4, 6	(41,471)	(41,471)
Total expenditure		(41,471)	(41,471)
Net income		699,513	699,513
Net movement in funds		699,513	699,513
<b>Reconciliation of funds</b>			
Total funds brought forward		-	-
Total funds carried forward	15	699,513	699,513

	Note	Unrestricted Funds £	Total 2020 £
<b>Income and Endowments from:</b>			
Donations and legacies		-	-
Other income		-	-
Total income		-	-
<b>Expenditure on:</b>			
Charitable activities		-	-
Total expenditure		-	-
Net income		-	-
Net movement in funds		-	-
<b>Reconciliation of funds</b>			
Total funds brought forward		-	-
Total funds carried forward	15	-	-

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 15.



# At-Tawheed Foundation

## Notes to the Financial Statements for the Year Ended 31 March 2021

(Registration number: 1184908)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	561,556	-
<b>Current assets</b>			
Debtors	12	525	-
Cash at bank and in hand	13	138,671	-
		139,196	-
<b>Creditors: Amounts falling due within one year</b>	14	(1,239)	-
<b>Net current assets</b>		137,957	-
<b>Net assets</b>		699,513	-
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		699,513	-
<b>Total funds</b>	15	699,513	-

The financial statements on pages 6 to 13 were approved by the trustees, and authorised for issue on 22/04/2021 and signed on their behalf by:



.....  
Mohammed Nazakit  
Chair

# At-Tawheed Foundation

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Cash Flow Statement for the Year Ended 31 March 2021

	2021	2020
	£	£
<b>Cash flows from operating activities:</b>		
Net income for the reporting period (as per the statement of financial activities)	699,513	-
Adjustments for:		
Non-cash grants	(496,539)	-
Depreciation charges	6,766	-
(Increase)/decrease in debtors	(525)	-
Increase/(decrease) in creditors	1,239	-
<b>Cash generated from operations</b>	<b>210,454</b>	<b>-</b>
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets	(71,783)	-
<b>Net Cash Flows</b>	<b>138,671</b>	<b>-</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	-	-
Net change in cash for period	138,671	-
Cash and cash equivalents at end of period	138,671	-

## **At-Tawheed Foundation**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

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.

##### **Basis of preparation**

At-Tawheed Foundation 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 notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

##### **Grant provisions**

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

##### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

##### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **At-Tawheed Foundation**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold Land - No depreciation  
Buildings - 50 years (straight line)

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

## At-Tawheed Foundation

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 2 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations	39,541	39,541	-
Grants	686,462	686,462	-
Gift aid reclaimed	-	-	-
	726,003	726,003	-

Grants include receipt of fixed assets of 496,539 and cash of 189,923 from At-Tawheed Foundation Trust (Charity reg: 1130558).

#### 3 Other income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Fees and supplies	2,430	24,30	-
Job Retention Scheme grant	12,551	12,551	-
	14,981	14,981	-

#### 4 Expenditure on charitable activities

	Activity undertaken directly £	Total 2021 £	Total 2020 £
Staff costs	24,067	24,067	-
Facilities	7,429	7,429	-
Utilities	5,022	5,022	-
Insurance	435	435	-
Travel	62	62	-
Office expenses	1,056	1,056	-
Governance	-	-	-
Grants	-	-	-
Consultancy	3,400	3,400	-
	41,471	41,471	-

#### 5 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	-	-	-
Other governance costs	-	-	-
	-	-	-

## At-Tawheed Foundation

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 6 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	6,766	-

#### 7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

#### 8 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	24,067	-
Social security costs	-	-
	<u>24,067</u>	<u>-</u>

Average number of employees during the year: 11

No employee received emoluments of more than £60,000 during the year

#### 9 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	-	-

## At-Tawheed Foundation

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 10 Taxation

The charity is a registered charity and is therefore exempt from taxation

#### 11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2020	-	-	-
Additions	568,322	-	568,322
At 31 March 2021	568,322	-	568,322
<b>Depreciation</b>			
At 1 April 2020	-	-	-
Charge for the year	6,766	-	6,766
At 31 March 2021	6,766	-	6,766
<b>Net book value</b>			
At 31 March 2021	561,556	-	561,556
At 31 March 2020	-	-	-

#### 12 Debtors

	2021 £	2020 £
Trade debtors	525	-

#### 13 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	-	-
Cash at bank	138,671	-
	138,671	-

#### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	150	-
Other taxation and social security	999	-
Accruals	90	-
	1,239	-

# At-Tawheed Foundation

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 15 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>				
General	-	740,984	(41,471)	699,513
	<b>Balance at 1 April 2019 £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Balance at 31 March 2020 £</b>
<b>Unrestricted funds</b>				
General	-	-	-	-

### 16 Analysis of net assets between funds

	Unrestricted funds General £	Total funds 2021 £
Tangible fixed assets	561,556	561,556
Current assets	139,196	139,196
Current liabilities	(1,239)	(1,239)
Total net assets	699,513	699,513
	Unrestricted Funds General £	Total funds 2020 £
Tangible fixed assets	-	-
Current assets	-	-
Current liabilities	-	-
Total net assets	-	-

### 17 Analysis of net funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	-	138,671	138,671
Net debt	-	138,671	138,671
	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	-	-	-
Net debt	-	-	-