

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

England & Wales · Charity number 288356

Details

Other names	HUSSEINI ISLAMIC CENTRE STANMORE MOSQUE
Status	Registered
Legal form	Other
Registered	1983-12-19
Register	View on the Charity Commission register

Contact

Address Islamic Centre
Wood Lane
Stanmore
HA7 4LQ

Phone 02089546247

Email admin@hujjat.org

Website www.hujjat.org

Activities

Objects: TO PROMOTE AND ADVANCE BY SUCH MEANS AS ARE ACCORDING TO THE LAW OF ENGLAND EXCLUSIVELY CHARITABLE THE ISLAMIC RELIGION IN ACCORDANCE WITH THE PRINCIPLES OF THE SHIA ITHNAASHERI SHARIA AND TO PROVIDE FOR THE RELIEF OF POVERTY AMONG MUSLIMS OF THE SHIA ITHNAASHERI FAITH.

Activities: The objects for which the Charity has been established is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri Sharia and to provide for the relief of poverty among Muslims of the Shia Ithna-Asheri faith.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Religious Activities, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** UNDEFINED
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31		-	-	-
2023-12-31	£7,156,749	£5,931,940	£19,221,481	28
2022-12-31	£10,709,445	£2,753,126	£17,996,672	26
2021-12-31	£1,908,881	£1,916,330	£10,040,354	23
2020-12-31	£1,930,368	£1,971,676	£10,047,808	43
2019-12-31	£2,031,335	£1,955,602	£10,089,116	41

Trustees

Name	Role	Appointed
Arif Hussein		2024-06-02
Asad Hamir		2024-06-02
Bashir Pirbhai		2024-06-02
Doureine Hiridjee		2024-06-02
Mahmood JESSA		2025-10-18
Murtaza Gulamhusein		2024-06-02
Sadikally Premji		2024-06-11
Sajeda Panju		2025-11-09
Sajjad Tejani		2022-05-08
Samana Fazel		2024-06-02
Shabbir Merali		2025-11-09
Soukeina Premdje		2024-06-02
Sukaina Hassanali Nurmohamed		2022-05-08

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

England & Wales - Charity number 288356

Accounts

www.hujjat.org



Husaini Shia Islamic Centre,
Wood Lane, Stanmore, HA7 4LQ, UK
T: +44 (0)20 8954 6247
E: admin@hujjat.org

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Registered Charity in UK No. 288356

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

LEGAL & ADMINISTRATIVE DETAILS

Status	The Khoja Shia Ithnaasheri Muslim Community of London is an Unincorporated charitable body governed by its constitution and is constituted as a charitable trust. The constitution was adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020.	
Charity Number	288356	
Registered Office	Husseini Islamic Centre Wood Lane, Stanmore Middx HA7 4LQ	
Other Names	Husseini Islamic Centre Stanmore Mosque	
Trustees		
	Murtaza Gulamhusein	President & Custodian Trustee (Elected 02 June 2024)
	Sajjad Tejani	Vice President & Custodian Trustee (Elected 08 May 2022, re-elected 02 June 2024)
	Bashir Pirbhai	Secretary (Elected 02 June 2024)
	Sukaina Nurmohamed	Assistant Secretary (Elected as Committee Member on 08 May 2022 and as Assistant Secretary on 02 June 2024)
	Arif Punjani	Hon. Treasurer & Custodian Trustee (Elected 02 June 2024)
	Sadikali Premji	Asst. Treasurer (Appointed 11 June 2024)
	Doureine Hiridjee	Chairlady & Committee Member (Elected 02 June 2024)
	Samana Fazel	Committee Member (Elected 02 June 2024)
	Soukeina Premdjee	Committee Member (Elected 02 June 2024)
	Asad Hamir	Committee Member (Elected 02 June 2024)
	Arif Hussein	Committee Member (Elected 02 June 2024)
	Ilyas Govani	Committee Member (Elected 02 June 2024)
	Shiraz Jessa	Committee Member (Elected 02 June 2024)
	Mohammed Ghoghai	Committee Member (Elected 02 June 2024)
	Sibtain Allibhai	President & Custodian Trustee (Elected 6 December 2021, re-elected 05 June 2022, term ended 02 June 2024)
	Mohammed Akil Kanani	Hon. Secretary & Custodian Trustee (Elected Committee Member on 17 May 2022 and as Secretary on 18 July 2022, term ended 02 June 2024)
	Mohamedasif Riyaz Rajabali	Asst. Secretary (Re-elected 8 May 2022, resigned 5 January 2023, appointed as Committee Member on 5 January 2023, term ended 02 June 2024)
	Assad Abdulla	Asst. Secretary (Elected as Committee Member on 8 May 2022 and appointed as Asst Sec on 5 January 2023, term ended 02 June 2024)
	Mushtakali Kassam	Hon. Treasurer & Custodian Trustee (Elected 8 May 2022, term ended 02 June 2024)
	Ali M Ali	Asst. Treasurer (Elected 8 May 2022, term ended 02 June 2024)
	Nasima Azim Karim	Chairlady (Re-elected 8 May 2022, term ended 02 June 2024)
	Tahera Kassam	Committee Member (Elected 8 May 2022, term ended 02 June 2024)
	Dr Ali Abbas R Hasham	Committee Member (Elected 8 May 2022, term ended 02 June 2024)
	Hasnain Mamdani	Committee Member (Elected 8 May 2022, term ended 02 June 2024)
	Salim Hamir	Committee Member (Elected 8 May 2022, term ended 02 June 2024)
Bankers	Habib Bank AG Zurich Limited Barclays Bank Plc The Co-operative Bank	
Auditors	Gerald Edelman LLP Cornhill 73 Cornhill London EC3V 3QQ	

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

PRESIDENT'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

Bismillahirrahmanirahim – I begin in the name of Allah SWT , The Most Merciful , The Most Beneficent.

We are pleased to provide you with the audited financial statements for The KSIMC of London for the fiscal year ending on December 31, 2023.

The KSIMC of London expresses gratitude for the invaluable contribution of our dedicated volunteers, whose selfless service benefits both members and non-members alike. The Hujjat center's activities operate seven days a week, accommodating individuals of all ages and genders.

As a fully registered UK charity, our organization depends greatly on the generous donations from our members and their families. Every individual contributes in some capacity, enabling us to offer a wide range of services to individuals of all ages and backgrounds on a daily basis, including infants, children, youths, adults, and seniors. Our activities encompass Religious Education, Marriages, Funerals, Sporting events, Secular education, welfare activities, and more. These services benefit both genders and foster a sense of community, fostering strong bonds and lasting friendships among our members.

Following the acquisition of Hujjat Harefield in October 2022, made possible through the blessings of Allah (swt) and the unwavering support of our members worldwide, we have made significant strides toward realizing our vision of a vibrant community hub. Situated on a 6.3-acre site, with a total internal space of 135,000 square feet across three buildings and on-site parking for over 500 cars, Hujjat Harefield is poised to serve generations to come. InshaAllah, it will stand as an emblem of our community's unity and strength on a global scale.

The guidance of our resident Aalim, Sheikh Anwar Jaffar, has been invaluable in providing direction on religious matters for our community. Equally significant is the contribution of our team of female Aalima within the Hidayah team, dedicated to serving the women and girls of our community.

After over two years of negotiations with the insurance company regarding the water damage claim at our Hujjat Stanmore center, we are pleased to report that the claim has finally been processed, and renovation work has commenced. As of the writing of this report, refurbishment is in full swing, and the project is progressing to a high standard. We anticipate completing the works on-site by the summer of 2024. We extend our heartfelt appreciation to all the volunteers who have dedicated their time and effort to make this renovation possible. Throughout the process, we have maintained communication with the council, and they have expressed satisfaction with the progress of the work.

As a result of rising utility expenses and the refurbishment costs, our cash flows have been significantly affected. In order to sustain our services to our members, we earnestly urge everyone to continue contributing from the wealth that Allah has bestowed upon you. Your continued support is crucial for our ongoing operations and community service efforts.

I extend my heartfelt gratitude to the members of my executive committee for their tireless efforts during this period. I also want to express a sincere thank you to all the Buju's and volunteers who have selflessly served our community solely for the pleasure of Allah (swt). May Allah bless each and every one of you. Our volunteers are the lifeblood of this community, and we are deeply appreciative of their invaluable contributions.

Lastly, to our esteemed members, I humbly ask for your forgiveness for any shortcomings from myself and my team. I pray that we may continue to collaborate and remain united in our efforts. May I request a sura e Fateha for all marhumeen, Al Fateha.

Wasalaam

DocuSigned by:

30FCB355D1024B4...
Murtaza Gulamhusein
President
The KSIMC of London

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are pleased to present their annual report and the audited financial statements for the year ended 31 December 2023. The legal and administrative information appearing on page 3 forms a part of this report.

Structure, governance and management

The Charity is an unincorporated Charity governed by its Constitution adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020, with periodic amendments to the Constitution as disclosed in the Minutes of the relevant general meetings.

In accordance with the provisions in the Constitution, the Trustees are elected every two years. The elections normally take place two weeks prior to the relevant Annual General Meeting. The current executive committee was elected on 8 May 2022.

The Charity is managed by the office bearers and the Executive Committee whose roles are clearly defined in the constitution, and who meet at least 10 times a year.

The Trustees receive information about their role and responsibilities from a range of sources, including the Charity Commission and professional advisors to the Charity. Arrangements are in place for the induction of all newly appointed Trustees who receive a formal induction from the President of the Charity relating to their role and responsibilities as a trustee, prior to their first meeting.

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organisation, The World Federation of Khoja Shia Ithna-asheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK.

The following trustees who served during the period to approval of these accounts were:

Murtaza Gulamhusein (elected 2 June 2024)
Sajjad Tejani (reelected 2 June 2024)
Bashir Pirbhai (elected 2 June 2024)
Sukaina Nurmohamed (reelected 2 June 2024)
Arif Punjani (elected 2 June 2024)
Sadikali Premji (appointed 11 June 2024)
Doureine Hiridjee (elected 2 June 2024)
Samana Fazel (elected 2 June 2024)
Soukeina Premjee (elected 2 June 2024)
Asad Hamir (elected 2 June 2024)
Arif Hussein (elected 2 June 2024)
Ilyas Govani (elected 2 June 2024)
Shiraz Jessa (elected 2 June 2024)
Mohammed Ghoghhai (elected 2 June 2024)
Sibtain Allibhai (term ended 2 June 2024)
Mohammed Akil Kanani (term ended 2 June 2024)
Mohamedasif Riyaz Rajabali (term ended 2 June 2024)
Assad Abdulla (term ended 2 June 2024)
Mushtakali Kassam (term ended 2 June 2024)
Ali M Ali (term ended 2 June 2024)
Nasima Azim Karim (term ended 2 June 2024)
Taheera Kassam (term ended 2 June 2024)
Dr Ali Abbas R Hasham (term ended 2 June 2024)
Hasnain Mamdani (term ended 2 June 2024)
Salim Hamir (term ended 2 June 2024)

Conflicts of Interest

Trustees and staff are expected to conduct the business of the Charity with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from the Charity's work. All staff and Trustees have to declare their interests. At each Executive Committee meeting the Trustees are expected to inform those present to any interests, and may be asked not to participate during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also reported to the Executive Committee.

Public Benefit Statement

The Charity is a Public Benefit Entity.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit and have complied with the duty in section 17 of the Charities Act 2011 when reviewing the aims and objectives that have been set, and in planning the Charity's future activities.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Object, objectives and activities for the public benefit

The objects for which the Charity has been established is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith and to provide for the relief of poverty among Muslims of the Shia Ithna-Asheri faith.

The Charity through its Executive Committee has the power:

- (a) To encourage the practice of the Islamic Religion as taught by the Shia Ithna-Asheri faith in the City of London, across the UK and throughout the whole world.
- (b) To spread knowledge of the Islamic Religion as taught by the Shia Ithna-Asheri faith with a view to gaining adherents.
- (c) To secure the provision of Mosques and Imambara and to provide for the upkeep restoration and repair of their fabric and the maintenance of the services therein and to supply and embellish the furniture and fittings of such Mosques and Imambara.
- (d) To hold and arrange Islamic Religious services and ceremonies and in particular the performance of nikah.
- (e) To provide religious education in the principles of the Islamic faith as taught by the Shia Ithna-Asheri faith.
- (f) To pay or assist in paying the funeral expenses of deceased Muslims who have died in straitened circumstances.
- (g) To establish, take over, maintain, endow or otherwise assist in the formation of religious or educational establishments where the Islamic Religion is taught in accordance with the principles laid down by the Shia Ithna-asheri faith so long as the objects of such establishments are exclusively charitable.
- (h) To receive donations whether impressed with any special trust (provided such trust is exclusively charitable) or not to be held and applied for the promotion of the Charity.
- (i) To issue appeals for donations and periodical reports on the work of the Charity.
- (j) To do all such others things as shall further the above-mentioned objects.

As a result of the general guidance on public benefit, the Trustees have assessed the objectives as follows:

- Hold regular congregations to observe and propagate the Shia Ithna-Asheri faith;
- Repair and maintain the Charity's listed building where most of the activities take place;
- Produce regular publications;
- Maintain, and enhance, the Charity's website;
- Arrange educational and faith seminars (including inter-faith symposiums);
- Continuously cater for the youth and senior citizens;
- Promote religious education; and
- Enhance relationships within the local community.
- to try and secure separate accomodation for the Membership body

Achievements and Performance

In order to meet the objectives, the Trustees carried out several activities and are pleased to report the following achievements:

- Regular faith based occasions and commemorations held at the centre - weekly, seasonal and occasional;
- Regular Senior Citizens weekly in-person gatherings;
- Provide significant financial and other support for youth development and their social activities;
- Provide support to those most affected in our community by the cost of living crisis;

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

- Continued development of the new CRM Database - Salesforce and Hujjat Website;
- Worked closely with the resident Alim (Scholar) to guide the community on religious affairs;
- Continued in phased approach, the internal refurbishment works
 - Continued with the consultants, and necessary bodies with regards to internal refurbishment works;
 - Continuing of internal Hujjat process improvements / modernisation and automation of IT systems;
 - Continued to support Hujjat Maternal Services in their activities;
- Launched Futr - innovative and community centric office and co-working space at Hujjat Harefield

These achievements would not have been made without both the commitment and dedication of volunteers and the generous donations made by both members and non members of the community. Dedicated volunteers have contributed on average over 120 hours per week to running the services and donations have been received without the use of professional fundraisers or being bound by any scheme.

Investment Policy

The funds of the Charity that are not required for immediate application may be invested in such manner as the Trustees, from time to time, may approve.

During the year ended 31 December 2023 the funds were invested in various bank accounts and in investment properties.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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.

Risk Management

The Trustees recognise that effective risk management is essential in achieving the Charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The Charity will formalise the risk management and create a risk register which will be reviewed on regular basis.

Policy on reserves

The Charity has undertaken a review of the reserves policy having regard for the risk assessment.

To safeguard the core activities in periods of fluctuating income, where possible, the Trustees have determined to establish free reserves (i.e. those unrestricted reserves not tied up in tangible fixed assets) at a level sufficient to meet the Charity's requirements for a minimum period of 3 months of unrestricted expenditure in any given year equating to approximately £300,000.

The level of General Funds as at 31 December 2023 is £1,244,406 (2022 - £381,516). As at the year end the Charity also had £480,794 (2022 - £677,023), mainly in cash, as funds designated for specific use as shown in note 15 and 16 to the accounts.

As at 31 December 2023 the Charity's Restricted funds were £17,496,281 (2022 - £16,938,133) of which £17,226,808 (2022 - £16,223,787) is represented by fixed assets and balance of £269,473 (2022 - £714,346) in cash is represented by various funds as shown in note 16 to the accounts.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The results of the Charity's activities are shown on pages 13 to 25 of the financial statements.

The Charity's main objective is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith. All the activities including the divisions under its control namely, The Islamic Montessorri School, Shia Ithnaasheri Madressa, Hujjat Saturday Workshop, Husaini Tuition Centre, Islamic Bookshop and the Burial Fund contribute in achieving this main objective. All the income from these divisions and the donations received from the members and well-wishers of the Charity assist the Charity in meeting its main charitable objective of providing services to the community at large.

Income relating to unrestricted and restricted funds decreased by £3,552,696 to the sum of £7,156,749 (2022 - increased by £8,800,564). Expenditure on these activities also increased by £3,178,814 to £5,931,940 (2022 - increased by £836,796). The decrease in income mainly relates to a decrease in donations as the increase in the previous year related to purchase of Harefield property. The increase in expenditure in the year mainly relates to the refurbishment work carried out at the centre.

Overall, net income from unrestricted activities was £249,665 (2022 - deficit £429,968), and net income from restricted funds is £975,144 (2022 - £8,386,287).

Future Plans

In addition to the objectives outlined above, the Charity has additional objectives over the forthcoming 12 month period:

- Continue to invest in training of volunteers to improve efficiency in all services offered at the centre; by holding classes run by professional trainers
- Continue in educating the members and community at large on social and health issues by inviting professional speakers and further promoting services provided such as the talks during programmes on pertinent health issues.
- Continue to work closely with the property refurbishment team to ensure our centre is restored and modernised to meet the needs of our community. Launch and develop a fundraising plan to raise the necessary funds to complete the project.
- Continue to progress on the Hujjat Harefield project.
- Continue working with our youth and guide them in all aspects to be future leaders of our community.
- Continue to assist our community members to deal with all the challenges in the post-Covid climate and cost-of-living crisis. Specifically, mental and financial wellbeing, and active support to our senior members.
- Continue to engage with the neighbours and other local communities to maintain cordial relationships.
- Continue to upgrade our IT & AV system to meet the future challenges of the online world.
- Improve member engagement through an interactive and up-to date database and enhanced social media following.
- Expand and build upon the welfare & employment services, ensuring sustainable growth.
- Create effective ways of working within EC and engage with members more effectively for more transparency.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 judgements 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;
- 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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 irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Appreciation

The Charity relies heavily on services of volunteers. The Trustees wish to thank the Jumaat staff and all the volunteers for their unstinting hard work during 2023 and their on-going efforts in the daily administration of numerous areas of work we do.

The Trustees also wish to acknowledge the immense quantity of high quality work undertaken by staff, officers and volunteers in helping to achieve and deliver the charitable objectives of the Charity.

Auditors

No auditors appointment resolution was proposed at the AGM. The Trustees will either re-appointment the current auditor or appoint a new auditor.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor are aware of such information.

The Trustees' report was approved and signed on behalf of the Trustees on 14 November 2024

Signed by:

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Bashir Pirbhai
Hon. Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Opinion

We have audited the financial statements of The Khoja Shia Ithnaasheri Muslim Community of London for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 December 2023.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

Extent to which the audit was considered capable of detecting irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act and UK Charity Act, tax legislation, data protection, anti-bribery, employment and health and safety.

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Audited the risk of management override of controls, including through testing journal entries for appropriateness;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigating claims.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the charity and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the trustees.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of report

This report is made solely to the Charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



38429BB0CF8347E...

Talha Farrukh FCCA, ACA
(Senior Statutory Auditor) for and on behalf of
Gerald Edelman LLP

Chartered Accountant
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

Date: 14 November 2024

Gerald Edelman LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
		£	£	£	£
Income					
<i>Income from generated funds</i>					
Donations	2	1,117,099	1,789,641	2,906,740	9,268,445
Subscriptions		334,203	-	334,203	319,443
<i>Activities for generating funds</i>					
Sundry income	3	106,109	-	106,109	83,730
<i>Investment income</i>	4	1,969,049	-	1,969,049	378,456
<i>Income from charitable activities</i>					
Activities of the centre		70,280	-	70,280	58,235
Burial facilities		289,395	-	289,395	214,505
Education		433,785	-	433,785	386,631
<i>Other income</i>					
Grant		15,660	-	15,660	-
Insurance claim		1,031,528	-	1,031,528	-
Total income		5,367,108	1,789,641	7,156,749	10,709,445
Expenditure					
<i>Costs of generating funds</i>		96,042	-	96,042	44,467
<i>Expenditure on charitable activities</i>					
Religious and spiritual activities		779,641	-	779,641	528,128
Secular education		321,980	-	321,980	267,037
Burial facilities		445,254	-	445,254	536,839
Youth, children and volunteers		36,961	-	36,961	87,243
Relief of the needy, poor, orphaned and widowed		-	692,305	692,305	292,759
Nyaz		353,502	-	353,502	281,739
Property expenditure and depreciation		3,016,035	122,192	3,138,227	664,662
<i>Governance</i>		68,028	-	68,028	50,252
Total expenditure	5	5,117,443	814,497	5,931,940	2,753,126
Net income / (expenditure)		249,665	975,144	1,224,809	7,956,319
Transfer of funds	15, 16	416,996	(416,996)	-	-
Net movements in funds		666,661	558,148	1,224,809	7,956,319
Unrealised gain on revaluation of tangible fixed assets		-	-	-	-
Net movements in funds		666,661	558,148	1,224,809	7,956,319
Funds brought forward at the start of the year		1,058,539	16,938,133	17,996,672	10,040,353
Funds carried forward at the end of the year	15, 16	1,725,200	17,496,281	19,221,481	17,996,672

There are no other recognised gains and losses other than those passing through the Statement of Financial Activities. All income and expenditure derive from continuing activities.

The notes on pages 16 to 25 form a part of these financial statements.


THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON


BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023	2023	2022	2022
		£	£	(as restated) £	(as restated) £
Fixed assets					
Investment properties	7		1,625,000		1,625,000
Investment in subsidiary	8		4		-
Property, plant and equipment	9		<u>40,355,922</u>		<u>39,863,587</u>
Total fixed assets			<u>41,980,926</u>		<u>41,488,587</u>
Current assets					
Stock		58,189		52,322	
Debtors	10	950,223		400,235	
Cash at bank and in hand		<u>1,999,649</u>		<u>3,206,255</u>	
Total current assets		<u>3,008,061</u>		<u>3,658,812</u>	
Debtors: Amounts falling due after more than one year	11	<u>79,461</u>		<u>73,518</u>	
		<u>3,087,522</u>		<u>3,732,330</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(3,105,267)		(2,730,018)	
Creditors: Amounts falling due after more than one year	14	<u>(22,741,700)</u>		<u>(24,494,227)</u>	
			<u>(22,759,445)</u>		<u>(23,491,915)</u>
Total net assets			<u>19,221,481</u>		<u>17,996,672</u>
The funds of the charity					
Unrestricted funds	15				
Designated funds		480,794		677,023	
General funds		<u>1,244,406</u>		<u>381,516</u>	
			1,725,200		1,058,539
Restricted funds	16				
Revaluation reserve		2,887,720		2,887,720	
Other		<u>14,608,561</u>		<u>14,050,413</u>	
			17,496,281		16,938,133
Total funds	17		<u>19,221,481</u>		<u>17,996,672</u>

The notes on pages 16 to 25 form a part of these financial statements

Approved for issue by the board of trustees on 14 November 2024 and signed on its behalf by:

DocuSigned by:

 30FCB355D1024B4...
Murtaza Gulamhusein - (President)

Signed by:

 7E5FC25CF2BF475...
Arif Punjani - (Honorary Treasurer)

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		£	£
Cash used in operating activities			
Net movement in funds		1,224,809	7,956,319
Add back depreciation charge		172,983	41,694
Add back interest paid		1,121,200	235,616
Less interest income		(28,981)	(5,887)
Increase in stock		(5,867)	(4,213)
Increase in debtors		(555,931)	(259,073)
Decrease / Increase in creditors		<u>(1,377,278)</u>	<u>26,849,132</u>
Net cash generated from / (used in) operating activities		550,935	34,813,588
Cashflows from investing activities			
Interest income		28,981	5,887
Interest paid		(1,121,200)	(235,616)
Investment in subsidiary		(4)	-
Purchase of property, plant and equipment		<u>(665,318)</u>	<u>(33,006,687)</u>
Net cash used in investing activities		<u>(1,757,541)</u>	<u>(33,236,416)</u>
Decrease in cash and cash equivalents in the year		(1,206,606)	1,577,172
Cash and cash equivalents at the beginning of the year		<u>3,206,255</u>	<u>1,629,083</u>
Cash and cash equivalents at the end of the year		<u><u>1,999,649</u></u>	<u><u>3,206,255</u></u>

The notes on pages 16 to 25 form a part of these financial statements

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting Policies

General Information and basis of preparation

The Khoja Shia Ithnaasheri Muslim Community of London is a registered charity (Charity No 288356) in England and Wales. The nature of the charity's operations and activities are reported in the Trustee's Report. The legal and administrative information appearing on page 3 forms a part of these notes.

Basis of preparation

The financial statements of the charity, 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)', and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after certain conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For restricted donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Voluntary income is included in the Statement of Financial Activities upon receipt. Income from charitable activities (including membership income) is recognised as income when receivable, except when incapable of financial measurement.

Investment income is earned through renting of charity's assets. It is recorded on an accruals basis.

Grants and Gift Aid are recognised when receivable, Government Grants and subscriptions for membership are recognised when received. Gift Aid received is treated as unrestricted income and utilised against the support costs of the charity.

All income is included net of VAT and related expenditure includes any VAT which is not recoverable.

Taxation

No provision has been made for corporation tax or deferred tax as the charity is a registered charity and is therefore exempt within the meaning of schedule 3 of the Charities Act 2011 and therefore is exempt from taxation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities comprises the resources applied by the charity in meeting its charitable objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The support costs have been allocated to the charity's activities based on the number of staff employed in each area and the proportionate use of resources. The analysis of these costs is included in note 5.

In accordance with the Charities SORP (FRS 102), the general volunteer time of members and trustees is not recognised. The Trustees' annual report includes more information about their contribution.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting Policies (continued)

Pension

Employees of the charity are entitled to join a defined contribution scheme unless they have exercised their right to opt out of the scheme membership. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The charity has no liability beyond making its contribution and paying across the deductions for the employee's contributions.

Property, plant and equipment

Fixed assets are included at cost or, where original cost is not ascertainable, at valuation at the time such assets were first capitalised, less depreciation where appropriate.

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, over their expected useful lives:

Building	over 50 years on a Straight Line Basis
Equipment	over 4 years on a Straight Line basis
Furniture and Fixtures	between 3 and 7 years on a Straight Line basis
Motor Vehicle	over 5 years on a Straight Line basis

Property, plant and equipment is assessed for impairment indicators and if such indicators exist, a full impairment review is conducted.

The property held for mixed use which cannot be separated between Investment Property and Property, Plant and Equipment is accounted for as Property and Property, Plant and Equipment under applicable SORP and FRS 102.

Investment Property

Investment property is included in the Balance Sheet at fair value. The value is generally established by the Trustees based on guidance and discussions held with independent third parties.

Cash and cash equivalents

Cash and cash equivalents include cash In hand, deposits held at call with banks and other short-term liquid Investments with original maturities of three months or less.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Stock

Stock consists of books in the bookshop. The stock is valued at lower of cost and net realisable value.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Prior year adjustment

The trustees have reclassified an investment property as a property, plant and equipment through a prior period adjustment. The property, acquired in October 2022, was intended for mixed use, including the charity's own use, and should have been classified as a property, plant and equipment from the date of acquisition. This adjustment had no material impact on the the accounts, aside from a reclassification of £33 million from investment property to property, plant and equipment in the Balance sheet.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Funds

Unrestricted general funds are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes. Investment income and gains are allocated to the unrestricted funds.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund, if appropriate. The aim and use of each restricted fund is set out in notes to the financial statements. Transfers are made to/from restricted funds on approval by the Trustees when required to do so in order to enable the restricted fund to carry out its activities.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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

Consolidation

The charity owns 100% shares through its trustees of 01Futr Limited, a limited company, registered in England & Wales, company number 15077776. The company was formed on 17 August 2023 and started trading in December 2023. The company has not prepared its first set of accounts yet as the company is less than 6 months as at 31 December 2023.

2 Donations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Chawda Masumin, Jula and Imam Zamin	81,319	-	81,319	74,558
General donations	716,682	1,126,865	1,843,547	8,506,086
Nyaz	200,763	-	200,763	204,464
Sadka, Welfare and Bewa Yatim	-	105,138	105,138	94,275
Relief, religious and spiritual activities	-	557,638	557,638	260,134
Gift Aid	118,335	-	118,335	128,928
	<u>1,117,099</u>	<u>1,789,641</u>	<u>2,906,740</u>	<u>9,268,445</u>

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Parking	19,150	-	19,150	11,460
Announcement and adverts	8,008	-	8,008	7,233
Directory and calendar	7,501	-	7,501	10,724
Other Fundraising	8,998	-	8,998	4,291
Islamic bookshop	62,452	-	62,452	50,022
	<u>106,109</u>	<u>-</u>	<u>106,109</u>	<u>83,730</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Rent received	1,940,068	-	1,940,068	372,569
Interest received	28,981	-	28,981	5,887
	<u>1,969,049</u>	<u>-</u>	<u>1,969,049</u>	<u>378,456</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

5a Total Expenditure

	Direct Costs £	Support Costs £	Total 2023 £	Total 2022 £
Costs of Generating Funds	-	96,042	96,042	44,467
Charitable Activities				
Religious and spiritual activities	525,775	253,866	779,641	528,128
Secular education	217,137	104,843	321,980	267,037
Burial	300,271	144,983	445,254	536,839
Youth, children and volunteers	24,926	12,035	36,961	87,243
Relief of the poor, orphaned and widowed	692,305	-	692,305	292,759
Food & Nyaz	238,395	115,107	353,502	281,739
Expenditure on freehold properties	1,966,774	1,171,453	3,138,227	664,662
Governance (see Note 5d)	66,730	1,298	68,028	50,252
	<u>4,032,313</u>	<u>1,899,627</u>	<u>5,931,940</u>	<u>2,753,126</u>

The support cost is allocated on the basis either on a directly attributable to charity activities or apportioned basis. Certain expenditure are apportioned 5% as cost of generating funds and 5% as governance costs.

5b Support costs

	2023 £	2022 £
Motor vehicles expenditure	12,194	6,815
Car parking	22,773	12,335
Printing Postage Stationery	5,414	7,516
Telephone and internet	7,401	11,232
Insurances	13,133	11,430
Light & Heat	249,515	53,838
Rates & Water	7,309	2,894
Salaries and social security	247,640	165,636
Cleaning & Refuse Collection	50,407	36,531
Repairs & Maintenance	1,171,453	128,515
IT, Audio and Visual	29,239	48,850
Security expenses	336	-
Sundry Expenses	14,701	15,959
Mental Health	563	-
Education and Training	-	-
Bank & card charges	20,718	33,784
Exchange rate variance	(1,076)	-
Transport costs	2,200	-
Depreciation	45,707	39,431
	<u>1,899,627</u>	<u>574,766</u>

5c Staff costs

Staff costs comprise:	2023 £	2022 £
Wages and salaries	480,693	353,693
Social security costs	33,269	19,776
Pension contributions	6,440	4,112
	<u>520,402</u>	<u>377,581</u>

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

Full time employees	17	16
Part time employees	11	10
	<u>28</u>	<u>26</u>
Staff numbers as analysed by category:		
Charitable activities	25	23
Governance	3	3
	<u>28</u>	<u>26</u>

There was one employee who's remuneration and emoluments was over £60,000 (2022: none).

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

5d Governance costs

	2023	2022
	£	£
Auditors remuneration	6,000	7,500
Legal and professional fees	58,695	39,071
Subscriptions	2,035	2,127
Share of support costs	1,298	1,554
	<u>68,028</u>	<u>50,252</u>

6 Trustees

Trustee have not received any remuneration from the Charity for performing their duties as a trustee (2022 - £Nil).

No Trustees received reimbursement for costs for attending meetings and travelling expenses during the year (2022 - £Nil).

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Investment properties

	Investment Property £
Cost or Valuation	
At 31 December 2022 originally reported	34,625,000
Prior year adjustment	<u>(33,000,000)</u>
At 1 January 2023 as restated	1,625,000
	<hr/>
At 31 December 2023	<u>1,625,000</u>
	<hr/>
Net Book Value	
At 31 December 2023	<u>1,625,000</u>
	<hr/>
At 31 December 2022 as restated	<u>1,625,000</u>

The charity holds investment properties which has been stated at fair value appraised by the Trustees based on guidance received from independent third parties. The trustees concluded that the investment properties are fairly stated.

1 January 2023 figures have been restated due to a prior period adjustment of £33m incorrectly treated as investment property, now disclosed in note 9.

8 Investment in subsidiary

The charity owns 100% of 01Futr Limited, a company incorporated in England and Wales (Co No 15077776) on 17 August 2023. The activities of the company for the period to 31 Dec 2023 are immaterial as the trading started just before the year end.

9 Property, plant and equipment

	Freehold Property £	Equipment £	Furniture & Fittings £	Motor Vehicles £	Total £
Cost or Valuation					
At 31 December 2022 originally reported	7,000,000	270,105	204,829	87,621	7,562,555
Prior year adjustment	<u>33,000,000</u>	-	-	-	<u>33,000,000</u>
At 1 January 2023 as restated	40,000,000	270,105	204,829	87,621	40,562,555
Additions	612,511	4,731	4,485	43,591	665,318
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	<u>40,612,511</u>	<u>274,836</u>	<u>209,314</u>	<u>131,212</u>	<u>41,227,873</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2023	180,000	246,854	184,493	87,621	698,968
Charge for the year	142,192	15,516	8,736	6,539	172,983
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	<u>322,192</u>	<u>262,370</u>	<u>193,229</u>	<u>94,160</u>	<u>871,951</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value					
At 31 December 2023	<u>40,290,319</u>	<u>12,466</u>	<u>16,085</u>	<u>37,052</u>	<u>40,355,922</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022 as restated	<u>39,820,000</u>	<u>23,251</u>	<u>20,336</u>	<u>-</u>	<u>39,863,587</u>

At the year the charity had 2 freehold properties. The building element of the properties are depreciated over 50 year period.

A freehold property acquired on 11 October 2022 was incorrectly treated as an investment property in the 2022 financial statements. However, the trustees have made a prior period adjustment to correctly classify the property as a property, plant and equipment, rather than an investment property, from the date of acquisition. This adjustment reflects correction under applicable SORP and FRS 102 requirements.

The cost value of the freehold properties is £38,501,748 (2022: £37,889,237).

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

10 Debtors	2023	2022
	£	£
Trade debtors	598,162	-
Prepayments and accrued income	209,984	400,235
Other debtors	142,077	-
	<u>950,223</u>	<u>400,235</u>

11 Debtors: Amounts falling due after more than one year	2023	2022
	£	£
Hujjat Housing Scheme	<u>79,461</u>	<u>73,518</u>

The amount is held in trust by two ex-trustees to facilitate the Hujjat Housing Scheme (HHS). The money is used as a guarantee for first time buyers taking out a Springboard mortgage with Barclays Bank.

12 Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	181,399	252,552
Other creditors	1,803,138	2,243,461
Other taxation & social security	86,541	-
Accruals and deferred income (see Note 13 for deferred income breakdown)	1,034,189	234,005
	<u>3,105,267</u>	<u>2,730,018</u>

13 Deferred income	2023	2022
	£	£
At 1 January	234,005	289,590
Released to income	(234,005)	(289,590)
Deferred in year	1,034,189	234,005
At 31 December	<u>1,034,189</u>	<u>234,005</u>

Deferred income at the year end relates to education fees and subscriptions paid in advance

14 Creditors: Amounts falling due after more than one year	2023	2022
	£	£
Bank loan	14,100,000	14,100,000
Other Creditors	8,641,700	10,394,227
	<u>22,741,700</u>	<u>24,494,227</u>

The bank loan attracts interest at 3.25% per annum above the Bank of England base rate. The term of the loan is 3 years expiring on 10 Oct 2025. This term is extendable subject to terms and conditions. The loan is secured over the property at Widewater Place, Harefield only.

Other creditors includes an unsecured advance received from The World Federation of KSIMC (WF), an associated organisation serving members of our community. The advance is towards the acquisition of the property and use of the property by WF with no interest being charged.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

15 Unrestricted Funds

	At 1 January 2023 £	Income £	Expenditure £	Transfers	At 31 December 2023 £
Designated fund					
Burial	469,925	227,106	(216,237)	-	480,794
Secular Education	48,059	243,687	(227,137)	(64,609)	-
Religious Education	132,349	184,781	(283,311)	(33,819)	-
Seniors Activities	8,973	24,518	(17,293)	(16,198)	-
Al Haadi	3,619	45,243	(37,672)	(11,190)	-
Other	14,098	14,495	(34,175)	5,582	-
	<u>677,023</u>	<u>739,830</u>	<u>(815,825)</u>	<u>(120,234)</u>	<u>480,794</u>
General fund	381,516	4,627,278	(4,301,618)	537,230	1,244,406
	<u>1,058,539</u>	<u>5,367,108</u>	<u>(5,117,443)</u>	<u>416,996</u>	<u>1,725,200</u>

Burial fund

Burial fund relates to membership subscriptions for future burial needs.

Secular Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational use by Islamic Montessori School and Husaini Tuition Centre.

Religious Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational use by Shia Ithnasheri Madressa and Hujjat Saturday Workshop

Seniors Activities fund

Seniors Activities fund relates to surplus reserves which the Trustees have designated specifically for future use by the Seniors for their activities

Al Haadi fund

Al Haadi fund relates to surplus reserves which the Trustees have designated specifically for future use by the youth's

Other fund

Other fund relates funds designated by the Trustees for future use for specific religious

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Restricted Funds

	At 1 January 2023 £	Income £	Expenditure £	Transfer £	31 December 2023 £
Sadka and welfare	46,662	91,852	(142,046)	3,532	-
Relief and Khums	35,068	557,638	(550,209)	-	42,497
Bewa and yatim	6,628	8,136	-	-	14,764
Welfare Loans	25,275	5,150	-	-	30,425
Library	189	15	-	(204)	-
Medical	353	37	-	(390)	-
Who is Hussein	50	50	(50)	-	50
Fountain fund	290	-	-	-	290
British Sign Language	959	-	-	(959)	-
Covid Fund	4,385	-	-	(4,385)	-
Lady Zainab Repairs Fund	414,409	-	-	(414,409)	-
Hujjat Orphan Burial Fund	23,673	1,550	-	-	25,223
Capital (fixed asset) fund	13,336,067	1,125,213	(122,192)	-	14,339,088
Foundation Fund	181	-	-	(181)	-
Financial Independent scheme	156,224	-	-	-	156,224
	<u>14,050,413</u>	<u>1,789,641</u>	<u>(814,497)</u>	<u>(416,996)</u>	<u>14,608,561</u>
Revaluation reserve	2,887,720	-	-	-	2,887,720
	<u><u>16,938,133</u></u>	<u><u>1,789,641</u></u>	<u><u>(814,497)</u></u>	<u><u>(416,996)</u></u>	<u><u>17,496,281</u></u>

Descriptions of funds

Library - funds provided for the provision of Islamic material for use by the membership body.

Medical - donations specifically given for medical supplies.

Sadka and welfare - donations collected and to be used for the poor and the needy of the wider community

Fountain fund - a specific donation given for building a fountain in the centre.

Relief and Khums - provision of funds for world relief projects and obligatory religious payments.

Bewa and yatim - donations collected and to be used for the welfare of orphans and widows within the community and abroad.

Welfare Loans - funds donated for Karz e Hasna for eligible members. Welfare loans are kept separate from welfare grants and their repayments are kept in this fund for future such loans.

British Sign Language - a specific donation given to facilitate members who require sign language.

Covid Fund - provision of funds those affected by the Covid 19 pandemic, including grants received from Council.

Lady Zainab Repairs Fund - Fund set up to for repairs and restoration of the Hussaini Shia Islamic Centre

Hujjat Burial Orphan Fund - Fund set up to assist those who cannot afford the cost of burial

Capital fund - donations given in respect to capital expenditure on buildings.

Foundation fund - life subscriptions given by the members of the community.

Financial Independent scheme - donations for future capital projects.

Revaluation reserve - restricted reserve created on revaluation of the properties.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Analysis of Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2023 represented by:				
Total fixed assets	24,750,231	3,887	17,226,808	41,980,926
Net current assets	<u>(23,505,825)</u>	<u>476,907</u>	<u>269,473</u>	<u>(22,759,445)</u>
Total net assets	<u>1,244,406</u>	<u>480,794</u>	<u>17,496,281</u>	<u>19,221,481</u>

18 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	54,680	109,454
Between one and five years	-	59,276
	<u>54,680</u>	<u>168,730</u>

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2023 £	2022 £
Within one year	1,450,932	1,311,919
Between one and five years	1,231,050	2,335,644
	<u>2,681,982</u>	<u>3,647,563</u>

19 Related parties

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organization, The World Federation of Khoja Shia Ithna-sheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK. The World Federation of Khoja Shia Ithna-sheri Muslim Communities represents the charity when dealing with international work which includes disaster and general reliefs outside of the UK. Certain trustees of The KSIMC of London are also trustees of CoEJ and therefore CoEJ is a related party. £309,005 (2022: £260,134) has been paid out to CoEJ which includes funds received for religious dues and sadka. Included within creditors, amounts falling due after more than one year, is an amount £8,083,412 (2022: £8,083,412) from the World Federation. There is no interest attached to this amount.

In 2018 the KSIMC of London received a £100,000 loan from CoEJ via WF to be used for the Hujjat Housing Scheme (HHS). This loan has no set repayment date and no interest will be charged.

The KSIMC of London is a community based organisation and we are reliant on members of the community to provide their time to serve as Trustees of the Charity, for which they do not receive any remuneration. We also encourage the use of community members as the source for people, goods and services. As a consequence of the regular turnover of Trustees due to the 2 year term of each Executive Committee, there are occasions where the Charity has employees (in most cases such employment contracts typically pre date and outlast the Trustee's tenure) and/or procures goods and/or services from individuals who would otherwise be classified as related parties during the tenure of the relevant Trustee. During 2023, any related party employment contracts and contracts to procure goods and/or services were negotiated and managed independent of the relevant Trustee to ensure that such contracts were bona fide and were dealt with independently and at arm's length. In 2023 the aggregate of payments by the Charity to such related parties totalled £3,922 (2022: £4,342).

During the year the charity received donations of £58,041 (2022: £50,697) from the trustees.

During the year the charity took new loans from the trustees of £Nil (2022: £70,000). The £70,000 received from trustees (now ex-trustees), £5,000 was repaid in 2022, £30,000 was converted to donation in 2023 and the remaining outstanding balance of £35,000, £20,000 due to be repaid in 2024 was also converted into donation post year end and the balance of £15,000 is due to be repaid by 2026. The loans are interest free, unsecured and no guarantees have been provided.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

England & Wales - Charity number 288356

Accounts

www.hujjat.org



Husaini Shia Islamic Centre,
Wood Lane, Stanmore, HA7 4LQ, UK
T: +44 (0)20 8954 6247
E: admin@hujjat.org

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Registered Charity in UK No. 288356

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

LEGAL & ADMINISTRATIVE DETAILS

Status	The Khoja Shia Ithnaasheri Muslim Community of London is an Unincorporated charitable body governed by its constitution and is constituted as a charitable trust. The constitution was adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020.	
Charity Number	288356	
Registered Office	Husseini Islamic Centre Wood Lane, Stanmore Middx HA7 4LQ	
Other Names	Husseini Islamic Centre Stanmore Mosque	
Trustees		
	Sibtain Allibhai	President & Custodian Trustee (appointed 6 December 2021, reappointed 8 May 2022)
	Sajjad Tejani	Vice President & Custodian Trustee (appointed 8 May 2022)
	Mohammed Akil Kanani	Hon. Secretary & Custodian Trustee (appointed Committee Member on 17 May 2022 and as Secretary on 18 July 2022)
	Mohamedasif Riyaz Rajabali	Asst. Secretary (re appointed 8 May 2022, resigned 5 January 2023, appointed as Committee Member on 5 January 2023)
	Assad Abdulla	Asst. Secretary (appointed as Committee Member on 8 May 2022 and as Asst Sec on 5 January 2023)
	Mushtakali Kassam	Hon. Treasurer & Custodian Trustee (appointed 8 May 2022)
	Ali M Ali	Asst. Treasurer (appointed 8 May 2022)
	Nasima Azim Karim	Chairlady (reappointed 8 May 2022)
	Sukaina Nurmohamed	Committee Member (appointed 8 May 2022)
	Tahera Kassam	Committee Member (appointed 8 May 2022)
	Dr Ali Abbas R Hasham	Committee Member (appointed 8 May 2022)
	Hasnain Mamdani	Committee Member (appointed 8 May 2022)
	Salim Hamir	Committee Member (appointed 8 May 2022)
Bankers	Habib Bank AG Zurich Limited Barclays Bank Plc The Co-operative Bank	
Auditors	Stephen Coleman Gerald Edelman LLP Cornhill 73 Cornhill London EC3V 3QQ	

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

PRESIDENT'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

Bismillahirrahmanirahim – I begin in the name of Allah SWT , The Most Merciful , The Most Beneficent.

We are delighted to present to you the audited financial statements for The KSIMC of London for the year ended 31 December 2022.

The KSIMC of London is fortunate and acknowledges the immense contribution of the dedicated volunteers to provide selfless services to all our members and non members alike. Post Covid our dedicated volunteers have kept activities of the centre ongoing seven days a week catering for members of all ages and genders alike.

Our organisation is a fully registered charity relying heavily on the generous and magnanimous donations from our members and their families. Everyone in some way or the other is a contributor to our centre and this is how we are able to cater for services we provide on a daily basis to infants, children , youths , adults and seniors. Our activities include Religious Education, Marriages, Funerals, Sporting events, Secular education, Tuition centre to name but a few. Both genders benefit from these facilities. This also creates a great community atmosphere in the centre and helps bonding and lasting friendship between the members within it.

I am pleased to report that with the blessings of Allah (swt) and the support of our members the year 2022 has been progressive for our community. In October 2022, we were able to complete on our purchase of Widewater Place Harefield – Hujjat Harefield. A 6.3 acre site with 135,000 sq ft of internal space split between 3 buildings with onsite parking of over 500 cars. This is something we have been aspiring for over a decade but not able to. Hujjat Harefield inshallah will serve many generations to come and will be an icon for our community globally.

We were also able to finally appoint a resident Aalim. Sheikh Anwar Jaffar will help guide our community and be an anchor person for all religious matters. As you are aware we already have a team of ladies Aalima under the Hidayah team serving the ladies & girls of our community.

In regards to Stanmore Refurbishment, its been an on going process but with each passing day, we are inching closer to a settlement and inshallah works will start soon to restore our centre back to its glory. As parts of our building are listed hence the process to get pass the council for any works takes that extra bit longer.

The Covid 19 pandemic has affected many lives and businesses across the world and our charity and members are no exception. As we see the end of this pandemic with the blessings of Allah swt, let's not forget the lives we have lost due to Covid. I request you all to remember them in your prayers. May Allah SWT grant them a lofty station in Paradise. Ameen.

The unavailability of full use of centre and costs of refurbishment has been felt in our finances with a reduction in our unrestricted funds and revenue. In addition, the damage caused to our centre by the storm has increased the financial burden on the Jamaat as not all refurbishment costs will be paid by the insurers. We have continued to facilitate events under a temp marquee which also has a substantial cost. I humbly request you to continue to support us by your generous donations and volunteer work for the community.

I would like to thank the members of my executive committee who have worked tirelessly during this period. I would also like to say a big thank you to all Buju's and volunteers who have helped serve this community for the sole pleasure of Allah (swt). May Allah bless you all. Our Volunteers are the heartbeat of this community and we are ever so grateful for their services.

Finally, to our members, please forgive me and my team for any short comings and I pray that we continue to work together and stay united.

Wasalaam

Sibtain Alibhai
President
The KSIMC of London

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are pleased to present their annual report and the audited financial statements for the year ended 31 December 2022. The legal and administrative information appearing on page 3 forms a part of this report.

Structure, governance and management

The Charity is an unincorporated Charity governed by its Constitution adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020, with periodic amendments to the Constitution as disclosed in the Minutes of the relevant general meetings.

In accordance with the provisions in the Constitution, the Trustees are elected every two years. The elections normally take place two weeks prior to the relevant Annual General Meeting. The current executive committee was elected on 8 May 2022.

The Charity is managed by the office bearers and the Executive Committee whose roles are clearly defined in the constitution, and who meet at least 10 times a year.

The Trustees receive information about their role and responsibilities from a range of sources, including the Charity Commission and professional advisors to the Charity. Arrangements are in place for the induction of all newly appointed Trustees who receive a formal induction from the President of the Charity relating to their role and responsibilities as a trustee, prior to their first meeting.

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organisation, The World Federation of Khoja Shia Ithna-asheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK.

The following trustees resigned during the year:

Aqeel Merchant - resigned on 07 March 2022
Muntazir Aunali Kanji - resigned on 28 March 2022
Bashir Pirbhai - appointed on 09 March 2022 and resigned on 08 May 2022
Abbas Ismail - resigned on 08 May 2022
Muhammad Dattoo - resigned on 08 May 2022
Mumtaz Merali - resigned on 08 May 2022
Dr Mohammed Asad Abdullah - resigned on 08 May 2022
Dr Samana Fazel - resigned on 08 May 2022
Imran Shirazali Mohamedali Gulamhusein - resigned on 08 May 2022
Shiraz Jamal - resigned on 08 May 2022
Moshin Kassam - resigned on 27 June 2022

Conflicts of Interest

Trustees and staff are expected to conduct the business of the Charity with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from the Charity's work. All staff and Trustees have to declare their interests. At each Executive Committee meeting the Trustees are expected to inform those present to any interests, and may be asked not to participate during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also reported to the Executive Committee.

Public Benefit Statement

The Charity is a Public Benefit Entity.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit and have complied with the duty in section 17 of the Charities Act 2011 when reviewing the aims and objectives that have been set, and in planning the Charity's future activities.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Object, objectives and activities for the public benefit

The objects for which the Charity has been established is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith and to provide for the relief of poverty among Muslims of the Shia Ithna-Asheri faith.

The Charity through its Executive Committee has the power:

- (a) To encourage the practice of the Islamic Religion as taught by the Shia Ithna-Asheri faith in the City of London, across the UK and throughout the whole world.
- (b) To spread knowledge of the Islamic Religion as taught by the Shia Ithna-Asheri faith with a view to gaining adherents.
- (c) To secure the provision of Mosques and Imambara and to provide for the upkeep restoration and repair of their fabric and the maintenance of the services therein and to supply and embellish the furniture and fittings of such Mosques and Imambara.
- (d) To hold and arrange Islamic Religious services and ceremonies and in particular the performance of nikah.
- (e) To provide religious education in the principles of the Islamic faith as taught by the Shia Ithna-Asheri faith.
- (f) To pay or assist in paying the funeral expenses of deceased Muslims who have died in straitened circumstances.
- (g) To establish, take over, maintain, endow or otherwise assist in the formation of religious or educational establishments where the Islamic Religion is taught in accordance with the principles laid down by the Shia Ithna-asheri faith so long as the objects of such establishments are exclusively charitable.
- (h) To receive donations whether impressed with any special trust (provided such trust is exclusively charitable) or not to be held and applied for the promotion of the Charity.
- (i) To issue appeals for donations and periodical reports on the work of the Charity.
- (j) To do all such others things as shall further the above-mentioned objects.

As a result of the general guidance on public benefit, the Trustees have assessed the objectives as follows:

- Hold regular congregations to observe and propagate the Shia Ithna-Asheri faith;
 - Repair and maintain the Charity's listed building where most of the activities take place;
 - Produce regular publications;
 - Maintain, and enhance, the Charity's website;
 - Arrange educational and faith seminars (including inter-faith symposiums);
 - Continuously cater for the youth and senior citizens;
 - Promote religious education; and
 - Enhance relationships within the local community.
- to try and secure separate accomodation for the Membership body

Achievements and Performance

In order to meet the objectives, the Trustees carried out several activities and are pleased to report the following achievements:

- Regular faith based occasions and commemorations held at the centre - weekly, seasonal and occasional;
- Regular Senior Citizens weekly in-person gatherings;
- Provide significant financial and other support for youth development and their social activities;
- Provide support to those most affected in our community by the cost of living crisis;

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

- Continued development of the new CRM Database - Salesforce and Hujjat Website;
 - Appointed a resident Alim (Scholar) to guide the community on religious affairs;
 - Continued with temporary facilities at Hujjat Stanmore, to host Muharram and Ashre Zainabiyah as well as recent
 - Completed the works on the leaning wall;
 - Continued with the consultants, and necessary bodies in progressing and completing the Insurance claim for the
 - Continuing of internal Hujjat process improvements / modernisation and automation of IT systems;
 - Launching Hujjat Maternal Services to those on the motherhood journey from pre-pregnancy until their children
 - Completed the historic purchase of a new site for The KSIMC of London in Harefield, London.
- These achievements would not have been made without both the commitment and dedication of volunteers and the

Investment Policy

The funds of the Charity that are not required for immediate application may be invested in such manner as the Trustees, from time to time, may approve.

During the year ended 31 December 2022 the funds were invested in various bank accounts and in investment property.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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.

Risk Management

The Trustees recognise that effective risk management is essential in achieving the Charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The Charity will formalise the risk management and create a risk register which will be reviewed on regular basis.

Policy on reserves

The Charity has undertaken a review of the reserves policy having regard for the risk assessment.

To safeguard the core activities in periods of fluctuating income, where possible, the Trustees have determined to establish free reserves (i.e. those unrestricted reserves not tied up in tangible fixed assets) at a level sufficient to meet the Charity's requirements for a minimum period of 3 months of unrestricted expenditure in any given year equating to approximately £300,000.

The level of General Funds as at 31 December 2022 is £383,031 (2021 - £919,103). As at the year end the Charity also had £687,023 (2021 - £589,012), mainly in cash, as funds designated for specific use as shown in note 13 and 14 to the accounts.

As at 31 December 2022 the Charity's Restricted funds were £16,938,133 (2021 - £8,532,239) of which £16,233,787 (2021 - £7,882,259) is represented by fixed assets and balance of £714,346 (2021 - £649,980) in cash is represented by various funds as shown in note 14 to the accounts.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The results of the Charity's activities are shown on pages 12 to 23 of the financial statements.

The Charity's main objective is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith. All the activities including the divisions under its control namely, The Islamic Montessorri School, Shia Ithnaasheri Madressa, Hujjat Saturday Workshop, Husaini Tuition Centre, Islamic Bookshop and the Burial Fund contribute in achieving this main objective. All the income from these divisions and the donations received from the members and well-wishers of the Charity assist the Charity in meeting its main charitable objective of providing services to the community at large.

Income relating to unrestricted and restricted funds increased by £8,800,564 (2021 - decreased by £21,487). Expenditure on these activities also increased by £836,796 (2021 - decreased by £55,346). The increase in income mainly relates to a increase in rental income from the purchase of new property in Harefield. An amount of £8,341,528 was recieved as donation towards the purchase of Harefield property.

Overall, net expenditure from unrestricted and designated activities is £429,968 (2021 - £7,449), and net income from restricted funds is £8,386,287 (net expenditure 2021 - £20,211). It is the intention of the Trustees to utilise the carry forward surpluses in unrestricted fund for the benefit of the members and fund future projects. £8,341,528 was spent on the acquisition of Harefield Property.

Future Plans

In addition to the objectives outlined above, the Charity has additional objectives over the forthcoming 12 month period:

- Invest in training of all volunteers in the centre to improve efficiency in all services offered at the centre; by holding classes run by professional trainers
- Educating the members and community at large on social and health issues by inviting professional speakers and further promoting services provided such as the talks during programmes on pertinent health issues.
- Working closely with the property team to ensure our centre refurbishment programs run efficiently and we can restore and modernise the centre to meet the needs of our community. Launch and develop a fundraising plan to raise the necessary funds to complete the project.
- Continue to progress on the Hujjat Harefield project.
- Continue working with our youth and guide them in all aspects to be future leaders of our community.
- Assist our community members to deal with all the challenges in the post-Covid climate and cost-of-living crisis. Specifically, mental and financial wellbeing, and active support to our senior members.
- Continue to engage with the neighbours and other local communities to maintain cordial relationships.
- Upgrade our IT & AV system to meet the future challenges of the online world.
- Improve member engagement through a vibrant refreshed website, interactive and up-to date database and enhanced social media following.
- Expand and build upon the welfare & employment services, ensuring sustainable growth.
- Create effective ways of working within EC and engage with members more effectively for more transparency.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 judgements 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;
- 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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 irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Appreciation

The Charity relies heavily on services of volunteers. The Trustees wish to thank the Jamaat staff and all the volunteers for their unstinting hard work during 2022 and their on-going efforts in the daily administration of numerous areas of work we do.

The Trustees also wish to acknowledge the immense quantity of high quality work undertaken by staff, officers and volunteers in helping to achieve and deliver the charitable objectives of the Charity.

Auditors

Gerald Edelman LLP were appointed as auditors of the Charity at the AGM held in June 2023 by a general body resolution.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor are aware of such information.

The Trustees' report was approved and signed on behalf of the Trustees on 13 October 2023

Mohammed Akil Kanani
Hon. Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Opinion

We have audited the financial statements of The Khoja Shia Ithnaasheri Muslim Community of London for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure for the year then ended:
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice:
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In the light of the knowledge and understanding of the Charity and environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on Page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with trustees including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of reports made by management;
- Understanding of internal controls designed to prevent and detect irregularities
- Reviewing of relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Reviewing unusual transactions outside the normal course of the charities activities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our Audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Coleman - ACA
(Senior Statutory Auditor)
Gerald Edelman LLP

73 Cornhill
London
EC3V 3QQ
Date: 13 October 2023

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£
Income					
<i>Income from generated funds</i>					
Donations	2	549,721	8,718,724	9,268,445	818,465
Subscriptions		319,443	-	319,443	309,840
<i>Activities for generating funds</i>					
Sundry income	3	83,730	-	83,730	99,288
Investment income	4	378,456	-	378,456	71,830
<i>Income from charitable activities</i>					
Activities of the centre		58,235	-	58,235	400
Burial facilities		214,505	-	214,505	381,675
Education		386,631	-	386,631	227,383
Total income		1,990,721	8,718,724	10,709,445	1,908,881
Expenditure					
<i>Costs of generating funds</i>					
		44,467	-	44,467	19,930
<i>Expenditure on charitable activities</i>					
Religious and spiritual activities		528,128	-	528,128	357,310
Secular education		266,417	620	267,037	259,825
Burial facilities		536,839	-	536,839	661,581
Youth, children and volunteers		48,185	39,058	87,243	8,213
Relief of the needy, poor, orphaned and widowed		-	292,759	292,759	414,706
Nyaz		281,739	-	281,739	126,196
Investment property expenditure		664,662	-	664,662	-
Governance		50,252	-	50,252	68,569
Total expenditure	5	2,420,689	332,437	2,753,126	1,916,330
Net income / (expenditure)		(429,968)	8,386,287	7,956,319	(7,449)
Transfer of funds	12, 13	(19,608)	19,608	-	-
Net movements in funds		(449,576)	8,405,895	7,956,319	(7,449)
Unrealised gain on revaluation of tangible fixed assets		-	-	-	-
Net movements in funds		(449,576)	8,405,895	7,956,319	(7,449)
Funds brought forward at the start of the year		1,508,115	8,532,238	10,040,354	10,047,803
Funds carried forward at the end of the year	12, 13	1,058,539	16,938,133	17,996,672	10,040,354

There are no other recognised gains and losses other than those passing through the Statement of Financial Activities. All income and expenditure derive from continuing activities.

The notes on pages 15 to 23 form a part of these financial statements.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2022	2021	2021
		£	£	£	£
Fixed assets					
Investment properties	7		34,625,000		1,625,000
Tangible assets	8		6,863,587		6,898,594
Total fixed assets			41,488,587		8,523,594
Current assets					
Stock		52,322		48,110	
Debtors	9	400,235		69,196	
Cash at bank and in hand		3,206,255		1,629,083	
Total current assets		3,658,812		1,746,389	
Debtors: Amounts falling due after more than one year	10	73,518		145,484	
		<u>3,732,330</u>		<u>1,891,873</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(2,730,018)		(275,113)	
Creditors: Amounts falling due after more than one year	12	<u>(24,494,227)</u>		<u>(100,000)</u>	
			<u>(23,491,915)</u>		<u>1,516,760</u>
Net assets			<u>17,996,672</u>		<u>10,040,354</u>
The funds of the charity					
Unrestricted funds	13				
Designated funds		687,023		589,012	
General funds		<u>371,516</u>		<u>919,103</u>	
			1,058,539		1,508,115
Restricted funds	14				
Revaluation reserve		2,887,720		2,887,720	
Other		<u>14,050,413</u>		<u>5,644,519</u>	
			16,938,133		8,532,239
Total charity funds	15		<u>17,996,672</u>		<u>10,040,354</u>

The notes on pages 15 to 23 form a part of these financial statements

Approved for issue by the board of trustees on 13 October 2023 and signed on its behalf by:

Sibtain Alibhai - (President)

Mushtakali Kassam - (Honorary Treasurer)

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		£	£
Cash used in operating activities			
Net movement in funds		7,956,319	(7,449)
Add back depreciation charge		41,694	45,651
Less interest income		(5,887)	(2,344)
Increase in stock		(4,213)	3,505
Increase in debtors		(259,073)	120,831
Increase in creditors		26,849,132	75,622
Net cash generated from / (used in) operating activities		34,577,972	235,816
Cashflows from investing activities			
Interest income		5,887	2,344
Sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		(6,687)	(27,399)
Purchase of investment property		(33,000,000)	
Net cash used in investing activities		(33,000,800)	(25,055)
Decrease in cash and cash equivalents in the year		1,577,172	210,761
Cash and cash equivalents at the beginning of the year		1,629,083	1,418,322
Cash and cash equivalents at the end of the year		3,206,255	1,629,083

The notes on pages 15 to 23 form a part of these financial statements

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting Policies

General Information and basis of preparation

The Khoja Shia Ithnaasheri Muslim Community of London is a registered charity (Charity No 288356) in England and Wales. The nature of the charity's operations and activities are reported in the Trustee's Report. The legal and administrative information appearing on page 3 forms a part of these notes.

Basis of preparation

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 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after certain conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Voluntary income is included in the Statement of Financial Activities upon receipt. Income from charitable activities (including membership income) is recognised as incoming resources when receivable, except when incapable of financial measurement.

Investment income is earned through renting of charity's assets. It is recorded on an accruals basis.

Grants and Gift Aid are recognised when receivable, Government Grants and subscriptions for membership are recognised when received. Gift Aid received is treated as unrestricted income and utilised against the support costs of the charity.

All income is included net of VAT and related expenditure includes any VAT which is not recoverable.

Taxation

No provision has been made for corporation tax or deferred tax as the charity is a registered charity and is therefore exempt within the meaning of schedule 3 of the Charities Act 2011 and therefore is exempt from taxation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities comprises the resources applied by the charity in meeting its charitable objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting Policies (continued)

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The support costs have been allocated to the charity's activities based on the number of staff employed in each area and the proportionate use of resources. The analysis of these costs is included in note 5.

In accordance with the Charities SORP (FRS 102), the general volunteer time of members and trustees is not recognised. The Trustees' annual report includes more information about their contribution.

Pension

Employees of the charity are entitled to join a defined contribution scheme unless they have exercised their right to opt out of the scheme membership. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The charity has no liability beyond making its contribution and paying across the deductions for the employee's contributions.

Tangible Fixed Assets and Depreciation

Fixed assets are included at cost or, where original cost is not ascertainable, at valuation at the time such assets were first capitalised, less depreciation where appropriate.

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, over their expected useful lives:

Building	over 50 years on a Straight Line Basis
Equipment	over 4 years on a Straight Line basis
Furniture and Fixtures	between 3 and 7 years on a Straight Line basis
Motor Vehicle	over 5 years on a Straight Line basis

The Land and other religious artefacts have not been depreciated in view of their nature. The freehold property is recognised at a valuation based on the information available to the Trustees and in their opinions. Professional valuations are carried out at regular intervals. The Trustees do not consider that it is economic to carry out professional revaluations each year.

Investment Property

Investment property is included in the Balance Sheet at open market value. The value is generally established by reference to independent third party valuations obtained by the Trustees.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Stock

Stock consists of books in the bookshop. The stock is valued at lower of cost and net realisable value.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Funds

Unrestricted general funds are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes. Investment income and gains are allocated to the unrestricted funds.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund, if appropriate. The aim and use of each restricted fund is set out in notes to the financial statements. Transfers are made to/from restricted funds on approval by the Trustees when required to do so in order to enable the restricted fund to carry out its activities.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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.

2 Donations

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Chawda Masumin, Jula and Imam Zamin	74,558	-	74,558	31,670
General donations	141,771	8,364,315	8,506,086	156,334
Nyaz	204,464	-	204,464	210,007
Sadka, Welfare and Bewa Yatim	-	94,275	94,275	121,937
Relief, religious and spiritual activities	-	260,134	260,134	215,269
Gift Aid	128,928	-	128,928	83,248
	<u>549,721</u>	<u>8,718,724</u>	<u>9,268,445</u>	<u>818,465</u>

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Parking	11,460	-	11,460	2,230
Announcement and adverts	7,233	-	7,233	4,416
Directory and calendar	10,724	-	10,724	4,693
Other Fundraising	4,291	-	4,291	2,516
Furlough Grants	-	-	-	29,083
Islamic bookshop	50,022	-	50,022	56,350
	<u>83,730</u>	<u>-</u>	<u>83,730</u>	<u>99,288</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Rent received	372,569	-	372,569	69,486
Interest received	5,887	-	5,887	2,344
	<u>378,456</u>	<u>-</u>	<u>378,456</u>	<u>71,830</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5a Total Expenditure

	Direct Costs £	Support Costs £	Total 2022 £	Total 2021 £
Costs of Generating Funds		44,467	44,467	19,930
Charitable Activities				
Religious and spiritual activities	355,086	173,042	528,128	357,310
Secular education	179,542	87,495	267,037	259,825
Burial	360,943	175,896	536,839	661,581
Youth, children and volunteers	87,243	-	87,243	8,213
Relief of the poor, orphaned and widowed	292,759	-	292,759	414,706
Food & Nyaz	189,426	92,313	281,739	126,196
Expenditure, maintenance & service charge incurred in respect to investment property	664,662		664,662	-
Governance (see Note 5d)	48,698	1,554	50,252	68,569
	<u>2,178,359</u>	<u>574,767</u>	<u>2,753,126</u>	<u>1,916,330</u>

The support cost is allocated on the basis either on a directly attributable to charity activities or apportioned basis. Certain expenditure are apportioned 5% as cost of generating funds and 5% as governance costs.

5b Support costs

	2022 £	2021 £
Motor vehicles expenditure	6,815	6,642
Car parking	12,335	-
Printing Postage Stationery	7,516	4,351
Telephone and internet	11,232	7,417
Insurances	11,430	13,408
Accountancy fees	-	593
Light & Heat	53,838	20,755
Rates & Water	2,894	4,748
Salaries and social security	165,636	135,628
Cleaning & Refuse Collection	36,531	10,650
Repairs & Maintenance	128,515	91,596
IT, Audio and Visual	48,850	38,163
Sundry Expenses	15,959	10,591
Mental Health	-	2,340
Education and Training	-	3,405
Bank & card charges	33,784	17,906
Seniors Costs	-	350
Depreciation	39,431	43,389
	<u>574,766</u>	<u>411,932</u>

Staff costs

5c Staff costs comprise:	2022 £	2021 £
Wages and salaries	353,693	321,372
Social security costs	19,776	21,048
Pension contributions	4,112	4,436
	<u>377,581</u>	<u>346,856</u>

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

Full time employees	16	15
Part time employees	10	28
	<u>26</u>	<u>43</u>

Staff numbers as analysed by category:

Charitable activities	23	38
Governance	3	5
	<u>26</u>	<u>43</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5d Governance costs

	2022 £	2021 £
Auditors remuneration	7,500	5,020
Legal and professional fees	39,071	59,812
Subscriptions	2,127	2,478
Share of support costs	1,554	1,259
	<u>50,252</u>	<u>68,569</u>

6 Trustees

No Trustee received any remuneration from the Charity for performing their duties as a trustee (2021 - £Nil). During the year a total of no money was paid to a Trustee (2021 £Nil), during their tenure as a Trustee, as remuneration for support services other than performing their duties as a Trustee.

No Trustees received reimbursement for costs for attending meetings and travelling expenses during the year (2021 - £Nil).

7 Investment properties

Cost or Valuation	Investment Property £
At 1 January 2022	1,625,000
Additions	33,000,000
Disposals	-
	<u>34,625,000</u>
At 31 December 2022	<u>34,625,000</u>
Depreciation	
At 1 January 2022	-
Charge for the year	-
Disposals	-
	<u>-</u>
At 31 December 2022	<u>-</u>
Net Book Value	
At 31 December 2022	<u>34,625,000</u>
At 31 December 2021	<u>1,625,000</u>

At the year the charity had 3 investment properties and 1 freehold property:

1. During the year the charity acquired a investment property in Harefield for £33m. The charity currently receives rental income from this investment.

2. An investment property in Ruislip was acquired for £423,043 was valued at £1.2m. This is was valued in 2016 by a Chartered Surveyor, Roger Lumby, Penn Court, Church Road, Penn, High Wycombe, HP10 8NU.

3. An investment property, a 3 bedroom flat in gated development in Bushey was purchased for £425,000 in October 2019.

4. A freehold property in Stanmore was acquired over 35 years ago has historical cost of £4,889,237.

All the properties have been appraised by Trustees based on guidance from independent third parties and concluded that the freehold property and investment properties are fairly stated.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Tangible Fixed Assets

	Freehold Property £	Equipment £	Furniture & Fittings £	Motor Vehicles £	Total £
Cost or Valuation					
At 1 January 2022	7,000,000	266,702	201,545	87,621	7,555,868
Additions	-	3,403	3,284	-	6,687
Disposals	-	-	-	-	-
At 31 December 2022	<u>7,000,000</u>	<u>270,105</u>	<u>204,829</u>	<u>87,621</u>	<u>7,562,555</u>
Depreciation					
At 1 January 2022	160,000	233,971	175,682	87,621	657,274
Charge for the year	20,000	12,883	8,811	-	41,694
Disposals	-	-	-	-	-
At 31 December 2022	<u>180,000</u>	<u>246,854</u>	<u>184,493</u>	<u>87,621</u>	<u>698,968</u>
Net Book Value					
At 31 December 2022	<u>6,820,000</u>	<u>23,251</u>	<u>20,336</u>	<u>-</u>	<u>6,863,587</u>
At 31 December 2021	<u>6,840,000</u>	<u>32,731</u>	<u>25,863</u>	<u>-</u>	<u>6,898,594</u>
9 Debtors				2022	2021
				£	£
Prepayments and accrued income				400,235	62,248
Other debtors				-	6,948
				<u>400,235</u>	<u>69,196</u>
10 Debtors: Amounts falling due after more than one year				2022	2021
				£	£
Hujjat Housing Scheme				<u>73,518</u>	<u>145,484</u>
The amount is held in trust by two ex-trustees to facilitate the Hujjat Housing Scheme (HHS). The money is used as a guarantee for first time buyers taking out a Springboard mortgage with Barclays Bank.					
11a Creditors: Amounts falling due within one year				2022	2021
				£	£
Trade creditors				252,552	24,974
Other creditors				2,243,461	-
Accruals and deferred income (see Note 11b for deferred income breakdown)				<u>234,005</u>	<u>250,139</u>
				<u>2,730,018</u>	<u>275,113</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11b Deferred income	2022	2021
	£	£
At 1 January	289,590	250,139
Released to income	(289,590)	(35,044)
Deferred in year	234,005	74,495
At 31 December	<u>234,005</u>	<u>289,590</u>

Deferred income at the year end relates to education fees and subscriptions paid in advance

12 Creditors: Amounts falling due after more than one year	2022	2021
	£	£
Bank loan	14,100,000	-
Other Creditors	<u>10,394,227</u>	<u>100,000</u>
	<u>24,494,227</u>	<u>100,000</u>

The bank loan attracts interest at 3.25% per annum above the Bank of England base rate. The term of the loan is 3 years expiring on 10 Oct 2025. This term is extendable subject to terms and conditions. The loan is secured over the property at Widewater Place, Harefield only.

Other creditors includes an unsecured advance received from The World Federation of KSIMC (WF), an associated organisation serving members of our community. The advance is towards the acquisition of the property and use of the property by WF with no interest being charged.

13 Unrestricted Funds

	At 1 January 2022 £	Income £	Expenditure £	Transfers	At 31 December 2022 £
Designated fund					
Burial	409,037	212,226	(151,338)	-	469,925
Secular Education	16,215	220,766	(188,922)	-	48,059
Religious Education	145,601	170,504	(183,756)	-	132,349
Seniors Activities	18,146	15,975	(15,148)	-	18,973
Al Haadi	1,801	28,083	(26,265)	-	3,619
Other	(1,788)	23,850	(7,964)	-	14,098
	<u>589,012</u>	<u>671,404</u>	<u>(573,393)</u>	-	<u>687,023</u>
General fund	919,103	1,299,317	(1,827,296)	(19,608)	371,516
	<u>1,508,115</u>	<u>1,970,721</u>	<u>(2,400,689)</u>	<u>(19,608)</u>	<u>1,058,539</u>

Burial fund

Burial fund relates to membership subscriptions for future burial needs.

Secular Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational uses by Islamic Montessori School and Husaini Tuition Centre.

Religious Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational uses by Shia Ithnasheri Madressa and Hujjat Saturday Workshop

Seniors Activities fund

Seniors Activities fund relates to surplus reserves which the Trustees have designated specifically for future uses by the Seniors for their activities

Other fund

Other fund relates funds designated by the Trustees for future use for specific religious activities

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Restricted Funds

	At 1 January 2022 £	Income £	Expenditure £	Transfer £	At 31 December 2022 £
Children gifts	-	113	(2,945)	2,832	-
Husaini voluntary corps	742	-	-	(742)	-
Sadka and welfare	15,246	79,530	(48,114)	-	46,662
Relief and Khums	6,079	260,134	(231,145)	-	35,068
Bewa and yatim	458	6,170	-	-	6,628
Welfare Loans	26,700	8,575	(10,000)	-	25,275
Friday Social	1,100	10,117	(29,856)	18,639	-
Stanmore Jaffery	(120)	-	(750)	870	-
Library	189	-	-	-	189
Medical	353	-	-	-	353
Who is Hussein	50	-	-	-	50
Ladies activities	1,256	6,242	(5,507)	(1,991)	-
Fountain fund	150	140	-	-	290
British Sign Language	1,579	-	(620)	-	959
Covid Fund	7,848	37	(3,500)	-	4,385
Lady Zainab Repairs Fund	408,331	6,078	-	-	414,409
Hujjat Orphan Burial Fund	23,673	-	-	-	23,673
Capital (fixed asset) fund	4,994,539	8,341,528	-	-	13,336,067
Foundation Fund	121	60	-	-	181
Financial Independent scheme	156,224	-	-	-	156,224
	<u>5,644,518</u>	<u>8,718,724</u>	<u>(332,437)</u>	<u>19,608</u>	<u>14,050,413</u>
Revaluation reserve	2,887,720	-	-	-	2,887,720
	<u><u>8,532,238</u></u>	<u><u>8,718,724</u></u>	<u><u>(332,437)</u></u>	<u><u>19,608</u></u>	<u><u>16,938,133</u></u>

Descriptions of funds

Children gifts - donations given for the benefit of children within the community.

Library - funds provided for the provision of Islamic material for use by the membership body.

Husaini Voluntary Corps - donations specifically given for the welfare of the volunteers of the community.

Stanmore Jaffery - comprises funds collected on behalf of and paid to the youth body.

Medical - donations specifically given for medical supplies.

Sadka and welfare - donations collected and to be used for the poor and the needy of the wider community.

Fountain fund - a specific donation given for building a fountain in the centre.

Ladies activities - funds donated for the provision of ladies activities and sports.

Relief and Khums - provision of funds for world relief projects and obligatory religious payments.

Bewa and yatim - donations collected and to be used for the welfare of orphans and widows within the community and abroad.

Welfare Loans - funds donated for Karz e Hasna for eligible members. Welfare loans are kept separate from welfare grants and their repayments are kept in this fund for future such loans.

British Sign Language - a specific donation given to facilitate members who require sign language.

Covid Fund - provision of funds those affected by the Covid 19 pandemic, including grants received from Council.

Lady Zainab Repairs Fund - Fund set up to for repairs and restoration of the Hussaini Shia Islamic Centre

Hujjat Burial Orphan Fund - Fund set up to assist those who cannot afford the cost of burial

Capital fund - donations given in respect to capital expenditure on buildings.

Foundation fund - life subscriptions given by the members of the community.

Financial Independent scheme - donations for future capital projects.

Revaluation reserve - restricted reserve created on revaluation of the properties.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Analysis of Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2022 represented by:				
Total fixed assets	25,263,253	1,547	16,223,787	41,488,587
Net current assets	<u>(24,891,737)</u>	<u>685,476</u>	<u>714,346</u>	<u>(23,491,915)</u>
Total net assets	<u>371,516</u>	<u>687,023</u>	<u>16,938,133</u>	<u>17,996,672</u>

16 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	109,454	82,423
Between one and five years	<u>59,276</u>	<u>53,888</u>
	<u>168,730</u>	<u>136,311</u>

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2022 £	2021 £
Within one year	1,311,919	64,300
Between one and five years	<u>2,335,644</u>	<u>21,192</u>
	<u>3,647,563</u>	<u>85,492</u>

17 Related parties

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organization, The World Federation of Khoja Shia Ithna-sheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK. The World Federation of Khoja Shia Ithna-sheri Muslim Communities represents the charity when dealing with international work which includes disaster and general reliefs outside of the UK. Certain trustees of The KSIMC of London are also trustees of CoEJ and therefore CoEJ is a related party. £260,134 (2021: £205,365) has been collected on behalf of CoEJ and £231,145 (2021: £334,549) - including £1,500 sadka payments - has been paid out to CoEJ. Included within creditors, amounts falling due after more than one year (other creditors) is an amount £8 million from the World Federation. There is no interest attached to this amount.

In 2018 the KSIMC of London received a £100,000 loan from CoEJ via WF to be used for the Hujjat Housing Scheme (HHS). This loan has no set repayment date and no interest will be charged.

The KSIMC of London is a community based organisation and we are reliant on members of the community to provide their time to serve as Trustees of the Charity, for which they do not receive any remuneration. We also encourage the use of community members as the source for people, goods and services. As a consequence of the regular turnover of Trustees due to the 2 year term of each Executive Committee, there are occasions where the Charity has employees (in most cases such employment contracts typically pre date and outlast the Trustee's tenure) and/or procures goods and/or services from individuals who would otherwise be classified as related parties during the tenure of the relevant Trustee. During 2022, any related party employment contracts and contracts to procure goods and/or services were negotiated and managed independent of the relevant Trustee to ensure that such contracts were bona fide and were dealt with independently and at arm's length. In 2022 the aggregate of payments by the Charity to such related parties totalled £4,342 (2021: £932).

During the year the charity received donations of £50,697 (2021: £5,651) from the trustees.

During the year the charity took loans from the trustees of £70,000 (2021: Nil). £5,000 was paid back before the year end. £50,000 is due to be repaid in 2023 and £15,000 due to be repaid by 2026. The loans are interest free, unsecured and no guarantees have been provided.

18 Post Balance Sheet Event

The charity finalised an insurance claim of £1.5m in relation to the claim against the works at the property at Wood Lane, Stanmore and it is committed to spend over £2m towards the restoration of the centre.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

England & Wales - Charity number 288356

Accounts

www.hujjat.org



Husaini Shia Islamic Centre,
Wood Lane, Stanmore, HA7 4LQ, UK
T: +44 (0)20 8954 6247
E: admin@hujjat.org

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Registered Charity in UK No. 288356

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

LEGAL & ADMINISTRATIVE DETAILS

Status The Khoja Shia Ithnaasheri Muslim Community of London is an Unincorporated charitable body governed by its constitution and is constituted as a charitable trust. The constitution was adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020.

Charity Number 288356

Registered Office Hussein Islamic Centre
Wood Lane,
Stanmore
Middx
HA7 4LQ

Other Names Hussein Islamic Centre
Stanmore Mosque

Trustees

Abdul Hamid Mohamed Taqi	President & Custodian Trustee (resigned 26 October 2021)
Sibtain Alibhai	President & Custodian Trustee (appointed 6 December 2021)
Moshin Kassam	Hon. Secretary & Custodian Trustee
Mohamedasif Riyaz Rajabali	Asst. Secretary
Aqeel Merchant	Hon. Treasurer & Custodian Trustee (resigned 7 March 2022)
Bashir Pribhai	Hon. Treasurer & Custodian Trustee (appointed 6 March 2022)
Muntazir Aunali Kanji	Asst. Treasurer (resigned 28 March 2022)
Nasima Azim Karim	Chairlady
Abbas Ismail	Committee Member
Muhammad Dato	Committee Member
Mumtaz Merali	Committee Member
Dr Mohammed Asad Abdullah	Committee Member
Dr Samana Fazel	Committee Member
Imran Shirazali Mohamedali Gulamhusein	Committee Member
Shiraz Jamal	Committee Member

Bankers Habib Bank AG Zurich Limited
Barclays Bank Plc

Auditors Gerald Edelman
Cornhill
73 Cornhill
London
EC3V 3QQ

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

PRESIDENT'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

Bismillahirrahmanirahim – I begin in the name of Allah SWT , The Most Merciful , The Most Beneficent.

We are delighted to present to you the audited financial statements for The KSIMC of London for the year ended 31 December 2021.

The KSIMC of London is fortunate and acknowledges the immense contribution of the dedicated volunteers to provide selfless services to all our members and non members alike. Even during these challenging times our dedicated volunteers have kept activities of the centre ongoing seven days a week catering for members of all ages and genders alike.

Our organisation is a fully registered charity relying heavily on the generous and magnanimous donations from our members and their families. Everyone in some way or the other is a contributor to our centre and this is how we are able to cater for services we provide on a daily basis to infants, children , youths , adults and seniors. Our activities include Religious Education, Marriages, Funerals, Sporting events, Secular education, Tuition centre to name but a few. Both genders benefit from these facilities. This also creates a great community atmosphere in the centre and helps bonding and lasting friendship between the members within it.

I am pleased to report that with the blessings of Allah (swt) and the support of our members in April 2022 we have made history by exchanging on Widewater Place Harefield – Hujjat Harefield. A 6.3 acre site with 135,000 sq ft of internal space split between 3 buildings with onsite parking of over 500 cars. This is something we have been aspiring for over a decade but not able to. Hujjat Harefield inshallah will serve many generations to come and will be an icon for our community globally.

The highlight of this term has been the reopening of the centre for temporary use. As our centre is going through an insurance claim which has taken longer than expected, once all the insurance survey were completed we were able to reopen the centre's ground floor for our use. This has helped our members to get back and as covid restrictions are being eased we have been able to resume our live programs. We are actively working with the insurance company to reach a settlement and start complete refurbishment of our centre.

The Covid 19 pandemic has affected many lives and businesses across the world and our charity and members are no exception. Since last year we have lost a number of our members and their relatives to this pandemic. I request you all to remember them in your prayers. May Allah SWT grant them a lofty station in Paradise. Ameen

The effect of covid and unavailability of full use of centre has been felt in our finances with a reduction in our unrestricted funds and revenue. In addition, the damage caused to our centre by the storm has increased the financial burden on the Jamaat as not all refurbishment costs will be paid by the insurers. I humbly request you to continue to support us by your generous donations and volunteer work for the community.

We have general body elections due in May 2022 and I pray that members who can give time with dedication will come forward and lead this esteemed organisation. We have to complete on Hujjat Harefield and also refurbish the centre besides running day to day affairs. This will require a competent team and I am confident that fourteen such from our members will come forward – Inshallah.

I would like to thank the members of my executive committee who have worked tirelessly during the past two years through these most challenging times for our community. I would also like to say a big thank you to all Buju's and volunteers who have helped serve this community for the sole pleasure of Allah (swt). May Allah bless you all. Finally to our members, please forgive me and my team for any short comings and I pray that we continue to work together and stay united.

Wasalaam

Sibtain Alibhai
President
The KSIMC of London

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are pleased to present their annual report and the audited financial statements for the year ended 31 December 2021. The legal and administrative information appearing on page 3 forms a part of this report.

Structure, governance and management

The Charity is an unincorporated Charity governed by its Constitution adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020, with periodic amendments to the Constitution as disclosed in the Minutes of the relevant general meetings.

In accordance with the provisions in the Constitution, the Trustees are elected every two years. The elections normally take place two weeks prior to the relevant Annual General Meeting of the Charity except in cases where elections are held to fill a vacancy when the elections are held at a Special or Extraordinary General Meeting. Due to the outbreak of the Covid19 pandemic in 2020 both the Annual General Meeting and the Elections of the Trustees were delayed until September 2020. On 6 September 2020, by the grace of Allah (swt) a new Executive Committee was elected and took over the office on 20 September 2020.

The Charity is managed by the office bearers and the Executive Committee whose roles are clearly defined in the constitution, and who met (virtually) at least 10 times a year.

The Trustees receive information about their role and responsibilities from a range of sources, including the Charity Commission and professional advisors to the Charity. Arrangements are in place for the induction of all newly appointed Trustees who receive a formal induction from the President of the Charity relating to their role and responsibilities as a trustee, prior to their first meeting.

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organisation, The World Federation of Khoja Shia Ithna-asheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK.

Conflicts of Interest

Trustees and staff are expected to conduct the business of the Charity with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from the Charity's work. All staff and Trustees have to declare their interests. At each Executive Committee meeting the Trustees are expected to inform those present to any interests, and may be asked not to participate during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also reported to the Executive Committee.

Public Benefit Statement

The Charity is a Public Benefit Entity.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit and have complied with the duty in section 17 of the Charities Act 2011 when reviewing the aims and objectives that have been set, and in planning the Charity's future activities.

Object, objectives and activities for the public benefit

The objects for which the Charity has been established is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith and to provide for the relief of poverty among Muslims of the Shia Ithna-Asheri faith.

The Charity through its Executive Committee has the power:

- (a) To encourage the practice of the Islamic Religion as taught by the Shia Ithna-Asheri faith in the City of London, across the UK and throughout the whole world.
- (b) To spread knowledge of the Islamic Religion as taught by the Shia Ithna-Asheri faith with a view to gaining adherents.
- (c) To secure the provision of Mosques and Imambara and to provide for the upkeep restoration and repair of their fabric and the maintenance of the services therein and to supply and embellish the furniture and fittings of such Mosques and Imambara.
- (d) To hold and arrange Islamic Religious services and ceremonies and in particular the performance of nikah.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

- (e) To provide religious education in the principles of the Islamic faith as taught by the Shia Ithna-Asheri faith.
- (f) To pay or assist in paying the funeral expenses of deceased Muslims who have died in straitened circumstances.
- (g) To establish, take over, maintain, endow or otherwise assist in the formation of religious or educational establishments where the Islamic Religion is taught in accordance with the principles laid down by the Shia Ithna-asheri faith so long as the objects of such establishments are exclusively charitable.
- (h) To receive donations whether impressed with any special trust (provided such trust is exclusively charitable) or not to be held and applied for the promotion of the Charity.
- (i) To issue appeals for donations and periodical reports on the work of the Charity.
- (j) To do all such others things as shall further the above-mentioned objects.

As a result of the general guidance on public benefit, the Trustees have assessed the objectives as follows:

- Hold regular congregations to observe and propagate the Shia Ithna-Asheri faith;
- Repair and maintain the Charity's listed building where most of the activities take place;
- Produce regular publications;
- Maintain, and enhance, the Charity's website;
- Arrange educational and faith seminars (including inter-faith symposiums);
- Continuously cater for the youth and senior citizens;
- Promote religious education; and
- Enhance relationships within the local community.
- to try and secure separate accomodation for the Membership body

Achievements and Performance

In order to meet the objectives, the Trustees carried out several activities and are pleased to report the following achievements:

- Regular faith based occasions and commemorations held at the centre - weekly, seasonal and occasional;
- Restart Senior Citizens weekly in-person gatherings;
- Provide significant financial and other support for the youth and their sports and social activities;
- Provide support to those most affected in our community by the Covid 19 pandemic;
- Further development of the new CRM Database - Salesforce and Hujjat Website
- Applied for and received multiple grants to support Hujjat services.
- Organised temporary facilities at Hujjat Stanmore, to host Muharram and Ashre Zainabiyya majalis whilst the centre is under refurbishment
- Reopened the main Hujjat Centre with temporary refurbishment and restarted with Rajab, Shabaan and Ramadhan programmes for the whole community
 - Continued with the consultants, and necessary bodies in progressing and completing the Insurance claim for the main centre.
 - Significant internal Hujjat process improvements / modernisation and automation of IT systems
 - Facilitated the launch of the Hujjat Vaccine drive to help members get their doses of the COVID vaccine
 - Embarking on the refurbishment of the Hujjat centre following storm damage; Hujjat needs assessment initiative launched to facilitate
 - Restarted face to face Hujjat programmes, following the national end of COVID restrictions.
- Historic purchase of a new site for The KSIMC of London in Harefield, London. Progression through proposal, fundraising, implementation and delivery of the project.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

These achievements would not have been made without both the commitment and dedication of volunteers and the generous donations made by both members and non members of the community. Dedicated volunteers have contributed on average over 120 hours per week to running the services and donations have been received without the use of professional fundraisers or being bound by any scheme.

Investment Policy

The funds of the Charity that are not required for immediate application may be invested in such manner as the Trustees, from time to time, may approve.

During the year ended 31 December 2020 the funds were invested in various bank accounts and in investment property.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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.

Risk Management

The Trustees recognise that effective risk management is essential in achieving the Charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The Charity will formalise the risk management and create a risk register which will be reviewed on regular basis.

Policy on reserves

To safeguard the core activities in periods of fluctuating income, where possible, the Trustees have determined to establish free reserves (i.e. those unrestricted reserves not tied up in tangible fixed assets) at a level sufficient to meet the Charity's requirements for a minimum period of 3 months of unrestricted expenditure in any given year equating to approximately £300,000.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The level of General Funds as at 31 December 2021 is £919,103 (2020 - ££923,835) of which £636,598 (2020 - £654,125) is represented by tangible fixed assets. The free reserves of the Charity therefore amount to £282,505 (2020 - £269,710) – the bulk of which is cash in the bank. As at the year end the Charity also had £589,012 (2020 - £584,505), mainly in cash, as funds designated for specific use as shown in note 11 and 13 to the accounts.

As at 31 December 2021 the Charity's Restricted funds were £8,532,594 (2020 - £8,552,449) of which £7,882,259 (2020 - £7,882,259) is represented by fixed assets and balance of £649,980 (2020 - £670,190) in cash is represented by various funds as shown in note 13 to the accounts.

Financial review

The results of the Charity's activities are shown on pages 11 to 21 of the financial statements.

The Charity's main objective is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith. All the activities including the divisions under its control namely, The Islamic Montessori School, Shia Ithnaasheri Madressa, Hujjat Saturday Workshop, Husaini Tuition Centre, Islamic Bookshop and the Burial Fund contribute in achieving this main objective. All the income from these divisions and the donations received from the members and well-wishers of the Charity assist the Charity in meeting its main charitable objective of providing services to the community at large.

Income relating to unrestricted and restricted funds decreased by £21,487 (2020 - £99,967). Expenditure on these activities also decreased by £55,346 (2020 - increased by £16,074). The decrease in income mainly relates to a reduction in General Donation, income from activities of the centre and Montessori tuition fees all as a direct result of the effect of the pandemic.

Overall, net income from unrestricted and designated activities is £12,762 (net expenditure in 2020 - £55,775), and net expenditure from restricted funds is £20,211 (2020 - £14,467). It is the intention of the Trustees to utilise the carry forward surpluses in unrestricted fund for the benefit of the members and fund future projects.

The start of 2020 has been an exceptional year due to COVID-19. Our community has been involved both individually and collectively in a number of charitable activities. Unfortunately our mosque has been closed for majority of the year. This has impacted on donations although there has been an increase in online donations and there is sufficient reserves for operational cashflows to take us through this difficult time. However we will need donations from members for repairs and renewal works to the centre to the extent not covered by the insurance proceeds.

Future Plans

In addition to the objectives outlined above, the Charity has additional objectives over the forthcoming 12 month period:

- Invest in training of all volunteers in the centre to improve efficiency in all services offered at the centre; by holding classes run by professional trainers
- Educating the members and community at large on social and health issues by inviting professional speakers and further promoting services provided such as health screening
- Working closely with the property team to ensure our centre refurbishment programs run efficiently and we can restore and modernise the centre to meet the needs of our community. Launch and develop a fundraising plan to raise the necessary funds to complete the project.
- Continue the search for the Hujjat Resident Aalim and appoint a scholar once a suitable candidate has been found.
- Continue working with our youth and guide them in all aspects to be future leaders of our community.
- Assist our community members to deal with all the challenges of a post Covid. Specifically, mental and financial wellbeing, and active support to our senior members.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

- Continue to engage with the neighbours and other local communities to maintain cordial relationships.
- Upgrade our IT & AV system to meet the future challenges of the online world.
- Improve member engagement through a vibrant refreshed website, interactive and up-to date database and enhanced social media following.
- Expand and build upon the welfare & employment services, ensuring sustainable growth.
- Create effective ways of working within EC and engage with members more effectively for more transparency.

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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 irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Appreciation

The Charity relies heavily on services of volunteers. The Trustees wish to thank the Jamaat staff and all the volunteers for their unstinting hard work during 2020 and their on-going efforts in the daily administration of numerous areas of work we do.

The Trustees also wish to acknowledge the immense quantity of high quality work undertaken by staff, officers and volunteers in helping to achieve and deliver the charitable objectives of the Charity.

Auditors

Gerald Edelman were appointed the new auditors of the Charity at the last AGM held in June 2021 by a general body resolution.

Signed on behalf of the Trustees on 10 May 2022

Moshin Kassam
Hon. Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Opinion

We have audited the financial statements of The Khoja Shia Ithnaasheri Muslim Community of London for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In the light of the knowledge and understanding of the Charity and environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on Page 7 , the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with trustees including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of reports made by management;
- Understanding of internal controls designed to prevent and detect irregularities
- Reviewing of relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Reviewing unusual transactions outside the normal course of the charities activities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our Audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gerald Edelman
Statutory Auditor

73 Cornhill
London
EC3V 3QQ
Date: 10 May 2022

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£
Income					
<i>Income from generated funds</i>					
Donations	2	413,505	404,960	818,465	763,861
Subscriptions		309,840		309,840	333,235
<i>Activities for generating funds</i>					
Sundry income	3	99,288	-	99,288	106,762
<i>Investment income</i>	4	71,830	-	71,830	61,475
<i>Income from charitable activities</i>					
Activities of the centre		400	-	400	32,011
Burial facilities		381,575	100	381,675	334,264
Education		227,383	-	227,383	298,760
Total income		1,503,821	405,060	1,908,881	1,930,368
<i>Costs of generating funds</i>					
		19,930	-	19,930	33,246
<i>Expenditure on charitable activities</i>					
Religious and spiritual activities		356,822	488	357,310	312,385
Secular education		259,825	-	259,825	274,007
Burial facilities		651,738	9,843	661,581	664,791
Youth, children and volunteers		7,979	234	8,213	19,845
Relief of the needy, poor, orphaned and widowed		-	414,706	414,706	352,925
Nyaz		126,196	-	126,196	282,976
<i>Governance</i>		68,569	-	68,569	31,501
Total expenditure	5	1,491,059	425,271	1,916,330	1,971,676
Net income / (expenditure)		12,762	(20,211)	(7,449)	(41,308)
Extraordinary item		-	-	-	-
Net movements in funds		12,762	(20,211)	(7,449)	(41,308)
Funds brought forward at the start of the year		1,495,354	8,552,450	10,047,808	10,089,116
Funds carried forward at the end of the year	11,12	1,508,116	8,532,239	10,040,359	10,047,808

There are no other recognised gains and losses other than those passing through the Statement of Financial Activities. All income and expenditure derive from continuing activities.

The notes on pages 16 to 23 form a part of these financial statements.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021	2021	2020	2020
		£	£	£	£
Fixed assets					
Tangible assets	7		8,523,594		8,541,846
Total fixed assets			8,523,594		8,541,846
Current assets					
Stock		48,110		51,620	
Debtors	8	69,196		190,027	
Cash at bank and in hand		1,629,083		1,418,322	
Debtors: Amounts falling due after more than one year	9	145,484		145,484	
Total current assets		1,891,873		1,805,453	
Liabilities					
Creditors: amounts falling due within one year	10	(275,113)		(199,491)	
Creditors: amounts falling due after more than one year		(100,000)		(100,000)	
Net current assets			1,516,760		1,505,962
Net assets			10,040,354		10,047,808
The funds of the charity					
Unrestricted funds	11				
Designated funds		589,012		571,524	
General funds		919,103		923,835	
			1,508,115		1,495,359
Restricted funds	12				
Revaluation reserve		2,887,720		2,887,720	
Other		5,644,519		5,664,729	
			8,532,239		8,552,449
Total charity funds	13		10,040,354		10,047,808

The notes on pages 16 to 23 form a part of these financial statements

Approved for issue by the board of trustees and signed on its behalf by:

-

Sibtain Alibhai - (President)

Bashir Pribhai - (Honorary Treasurer)

Date: 10 May 2022

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		£	£
Cash used in operating activities			
Net movement in funds		(7,449)	(41,308)
Add back depreciation charge		45,651	70,057
Less interest income		(2,344)	(3,667)
Increase in stock		3,505	202
Increase in debtors		120,831	27,275
Increase in creditors		75,622	22,692
Net cash generated from / (used in) operating activities	14	<u>235,816</u>	<u>75,251</u>
Cashflows from investing activities			
Interest income		2,344	3,667
Sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		(27,399)	(38,570)
Net cash used in investing activities		<u>(25,055)</u>	<u>(34,903)</u>
Decrease in cash and cash equivalents in the year		210,761	40,348
Cash and cash equivalents at the beginning of the year		<u>1,418,322</u>	<u>1,377,974</u>
Cash and cash equivalents at the end of the year		<u>1,629,083</u>	<u>1,418,322</u>

The notes on pages 16 to 23 form a part of these financial statements

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting Policies

Charity Information

The legal and administrative information appearing on page 3 forms a part of these notes.

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

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)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity 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

These comprise income which is accounted for in the period in which it is received. Grants and Gift Aid are recognised when receivable, Government Grants and subscriptions for membership are recognised when received. Gift Aid received is treated as unrestricted income and utilised against the support costs of the

All income is included gross and related expenditure is included as expenditure.

Investment income is included in the accounts on an accruals basis.

Deferred Income

Income is recognised in the period to which it relates.

Expenditure

Costs of generating funds are those costs incurred in furthering the name and objects of the charity.

Governance comprises the costs of compliance with constitutional and statutory requirements and costs related to the strategic management of the charity.

Support costs are costs which are common to a number of activities and are charged to activities on the basis of a proportion of the use of the resource to the charitable activity.

In accordance with the Charities SORP (FRS 102), the general volunteer time of members and trustees is not recognised. The Trustees' annual report includes more information about their contribution).

Creditors and liabilities

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.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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.

Pensions

Employees of the Charity are entitled to join a defined contribution. The charity contribution is restricted to the contributions disclosed in note 5c. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support costs.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting Policies (continued)

Tangible Fixed Assets and Depreciation

Fixed assets are recorded at cost or, where original cost is not ascertainable, at valuation at the time such assets were first capitalised, less depreciation where appropriate.

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, over their expected useful lives:

Building	over 50 years on a Straight Line Basis
Equipment	over 4 years on a Straight Line basis
Furniture and Fixtures	between 3 and 7 years on a Straight Line basis
Motor Vehicle	over 5 years on a Straight Line basis

The Land and other religious artefacts have not been depreciated in view of their nature. The freehold property is recognised at a valuation based on the information available to the Trustees and in their opinions. Professional valuations are carried out at regular intervals. The Trustees do not consider that it is economic to carry out professional revaluations each year.

Investment Property

Investment property is included in the Balance Sheet at open market value. The value is generally established by reference to independent 3rd party valuations obtained by the Trustees.

Taxation

No provision has been made for corporation tax or deferred tax as the charity is a registered charity and is therefore exempt. As the charity is not VAT registered, its expenditure for the year includes non recoverable VAT incurred.

Stock

Stock consists of books in the bookshop. The stock is valued at lower of cost and net realisable value.

Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes. Investment income and gains are allocated to the unrestricted funds.

Designated funds comprise funds which have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in note 11.

The restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund, if appropriate. The aim and use of each restricted fund is set out in note 12 of the financial statements. Transfers are made to/from restricted funds on approval by the Trustees when required to do so in order to enable the restricted fund to carry out its activities.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Donations

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	<i>Total</i> 2020 £
Chawda Masumin, Jula and Imam Zamin	31,670	-	31,670	43,937
General donations	78,676	77,658	156,334	160,377
Nyaz	210,007	-	210,007	194,302
Sadka, Welfare and Bewa Yatim Relief, religious and spiritual activities	9,904	205,365	215,269	212,030
Gift Aid	83,248	-	83,248	77,827
	<u>413,505</u>	<u>404,960</u>	<u>818,465</u>	<u>763,861</u>

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	<i>Total</i> 2020 £
Parking	2,230	-	2,230	3,351
Announcement and adverts	4,416	-	4,416	4,380
Directory and calendar	4,693	-	4,693	5,503
Other Fundraising	2,516	-	2,516	-
Furlough Grants	29,083	-	29,083	38,112
Islamic bookshop	56,350	-	56,350	55,416
	<u>99,288</u>	<u>-</u>	<u>99,288</u>	<u>106,762</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	<i>Total</i> 2020 £
Rent received	69,486	-	69,486	57,808
Interest received	2,344	-	2,344	3,667
	<u>71,830</u>	<u>-</u>	<u>71,830</u>	<u>61,475</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5a Total Expenditure

	Direct Costs £	Support Costs £	Total 2021 £	Total 2020 £
Costs of Generating Funds	-	19,930	19,930	33,246
Charitable Activities				
Religious and spiritual activities	257,933	99,377	357,310	312,385
Secular education	187,561	72,264	259,825	274,007
Burial	477,578	184,003	661,581	664,791
Youth, children and volunteers	8,213	-	8,213	19,845
Relief of the poor, orphaned and widowed	414,706	-	414,706	352,925
Food & Nyaz	91,097	35,099	126,196	282,976
Governance (see Note 5d)	67,310	1,259	68,569	31,501
	<u>1,504,398</u>	<u>411,932</u>	<u>1,916,330</u>	<u>1,971,676</u>

5b Support costs

	2021 £	2020 £
Motor vehicles expenditure	6,642	9,050
Car parking	-	10,392
Printing Postage Stationery	4,351	5,573
Telephone and internet	7,417	16,201
Insurances	13,408	15,009
Accountancy fees	593	-
Light & Heat	20,755	32,797
Rates & Water	4,748	3,326
Salaries and social security	135,628	181,447
Cleaning & Refuse Collection	10,650	16,129
Repairs & Maintenance	91,596	64,063
IT, Audio and Visual	38,163	31,093
Security expenses	-	2,314
Sundry Expenses	10,591	9,714
Mental Health	2,340	-
Education and Training	3,405	-
Bank & card charges	17,906	11,803
Seniors Costs	350	2,550
Depreciation	43,389	65,216
	<u>411,932</u>	<u>476,677</u>

5c Staff costs

Staff costs comprise:	2021 £	2020 £
Wages and salaries	321,372	361,695
Social security costs	21,048	24,749
Pension contributions	4,436	5,477
	<u>346,856</u>	<u>391,921</u>

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

Full time employees	11	15
Part time employees	12	28
	<u>23</u>	<u>43</u>

Staff numbers as analysed by category:

Charitable activities	18	38
Governance	5	5
	<u>23</u>	<u>43</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

5d Governance costs

	2021	2020
	£	£
Auditors remuneration	5,020	3,580
Legal and professional fees	59,812	23,881
Subscriptions	2,478	2,201
Share of support costs	1,259	1,839
	<u>68,569</u>	<u>31,501</u>

6 Trustees

No Trustee received any remuneration from the Charity for performing their duties as a trustee (2020 - £Nil). During the year a total of no money was paid to a Trustee (2020 £Nil), during their tenure as a Trustee, as remuneration for support services other than performing their duties as a Trustee.

No Trustees received reimbursement for costs for attending meetings and travelling expenses during the year (2019 - £Nil).

7 Tangible Fixed Assets

	Freehold Property	Investment Property	Equipment	Furniture & Fittings	Motor Vehicles	Total
Cost or Valuation	£	£	£	£	£	£
At 1 January 2021	7,000,000	1,625,000	252,303	188,545	87,621	9,153,469
Additions	-	-	14,399	13,000	-	27,399
Disposals	-	-	-	-	-	-
	<u>7,000,000</u>	<u>1,625,000</u>	<u>266,702</u>	<u>201,545</u>	<u>87,621</u>	<u>9,180,868</u>
Depreciation						
At 1 January 2021	140,000	-	215,614	170,765	85,244	611,623
Charge for the year	20,000	-	18,357	4,917	2,377	45,651
Disposals	-	-	-	-	-	-
	<u>160,000</u>	<u>-</u>	<u>233,971</u>	<u>175,682</u>	<u>87,621</u>	<u>657,274</u>
Net Book Value						
At 31 December 2021	<u>6,840,000</u>	<u>1,625,000</u>	<u>32,731</u>	<u>25,863</u>	<u>-</u>	<u>8,523,594</u>
At 31 December 2020	<u>6,860,000</u>	<u>1,625,000</u>	<u>36,689</u>	<u>17,780</u>	<u>2,377</u>	<u>8,541,846</u>

The freehold property and investment property were revalued at market value by the Trustees in a prior period. The investment property has been valued as at 31 December 2016 at £1.2 million by a Chartered Surveyor, Roger Lumby, Penn Court, Church Road, Penn, High Wycombe HP10 8NU. The Trustees appraised the value of the freehold property as at 31 December 2018 based on guidance from an independent 3rd party and concluded that the value of the freehold property is fairly stated. The historical cost of the freehold property is £4,889,237 and the investment property is £423,043. In October 2019 a 3 bedroom flat in a gated development was purchased for £425,000.

8 Debtors

	2021	2020
	£	£
Prepayments and accrued income	62,248	83,258
Other debtors	6,948	106,769
	<u>69,196</u>	<u>190,027</u>

9 Debtors: Amounts falling due after more than one year

	2021	2020
	£	£
Hujjat Housing Scheme	<u>145,484</u>	<u>145,484</u>

The amount is held in trust by two ex-trustees to facilitate the Hujjat Housing Scheme (HHS). The money is used as a guarantee for first time buyers taking out a Springboard mortgage with Barclays Bank.

10a Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	24,974	10,440
Accruals and deferred income (see Note 10b for deferred income breakdown)	250,139	189,051
	<u>275,113</u>	<u>199,491</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10b Deferred income	2021	2020
	£	£
At 1 January	35,044	79,580
Released to income	(35,044)	(79,580)
Deferred in year	74,495	35,044
At 31 December	<u>74,495</u>	<u>35,044</u>

Deferred income at the year end relates to education fees and subscriptions paid in advance

11 Unrestricted Funds

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
Designated fund				
Burial	364,954	209,558	(165,475)	409,037
Secular Education	32,283	171,493	(187,561)	16,215
Religious Education	154,246	78,977	(87,622)	145,601
Seniors Activities	15,534	7,616	(5,004)	18,146
Al Haadi	3,159	4,719	(6,077)	1,801
Other	1,346	9,904	(13,038)	(1,788)
	<u>571,522</u>	<u>482,267</u>	<u>(464,777)</u>	<u>589,012</u>
General fund	923,832	1,023,092	(1,027,821)	919,103
	<u>1,495,354</u>	<u>1,505,359</u>	<u>(1,492,598)</u>	<u>1,508,115</u>

Burial fund

Burial fund relates to membership subscriptions for future burial needs.

Secular Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational uses by Islamic Montessori School and Husaini Tuition Centre.

Religious Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational uses by Shia Ithnasheri Madressa and Hujjat Saturday Workshop

Seniors Activities fund

Seniors Activities fund relates to surplus reserves which the Trustees have designated specifically for future uses by the Seniors for their activities

Other fund

Other fund relates funds designated by the Trustees for future use for specific religious activities

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Restricted Funds

	At 1 January 2021 £	Income £	Expenditure £	Transfer £	At 31 December 2021 £
Children gifts	-	-	-		-
Husaini voluntary corps	742	-	-		742
Sadka and welfare	40,926	93,141	(118,821)		15,246
Relief and Khums	75,263	205,365	(274,549)		6,079
Bewa and yatim	239	2,996	(2,777)		458
Welfare Loans	8,900	25,800	(8,000)		26,700
Friday Social	(138)	1,473	(234)		1,101
Stanmore Jaffery	(120)		-		(120)
Library	657	20	(488)		189
Medical	287	66	-		353
Who is Hussein	-	50	-		50
Ladies activities	1,256	-	-		1,256
Fountain fund	150	-	-		150
British Sign Language	1,579	-	-		1,579
Covid Fund	6,377	744	(1,350)		5,771
London Community Covid Grant	9,300	-	(9,209)		91
Harrow Giving Covid Awareness Grant		2,000	(14)		1,986
Lady Zainab Repairs Fund	3,995	73,198	-	331,138	408,331
Hujjat Orphan Burial Fund	33,416	100	(9,843)		23,673
Capital (fixed asset) fund	4,994,539	-	-		4,994,539
Foundation Fund	331,138	121	-	(331,138)	121
Financial Independent scheme	156,224	-	-		156,224
	<u>5,664,730</u>	<u>405,074</u>	<u>(425,285)</u>	<u>-</u>	<u>5,644,519</u>
Revaluation reserve	2,887,720	-	-	-	2,887,720
	<u>8,552,450</u>	<u>405,074</u>	<u>(425,285)</u>	<u>-</u>	<u>8,532,239</u>

Descriptions of funds

Children gifts - donations given for the benefit of children within the community.

Library - funds provided for the provision of Islamic material for use by the membership body.

Husaini Voluntary Corps - donations specifically given for the welfare of the volunteers of the community.

Stanmore Jaffery - comprises funds collected on behalf of and paid to the youth body.

Medical - donations specifically given for medical supplies.

Sadka and welfare - donations collected and to be used for the poor and the needy of the wider community.

Brookwood cemetery - a specific donation made for the future repairs of the cemetery.

Fountain fund - a specific donation given for building a fountain in the centre.

Ladies activities - funds donated for the provision of ladies activities and sports.

Relief and Khums - provision of funds for world relief projects and obligatory religious payments.

Bewa and yatim - donations collected and to be used for the welfare of orphans and widows within the community and abroad.

Welfare Loans - funds donated for Karz e Hasna for eligible members. Welfare loans are kept separate from welfare grants and their repayments are kept in this fund for future such loans.

British Sign Language - a specific donation given to facilitate members who require sign language.

Covid Fund - provision of funds those affected by the Covid 19 pandemic

London Community Covid Grant - Grant received to support those affected by the Covid 19 pandemic

Lady Zainab Repairs Fund - Fund set up to for repairs and restoration of the Hussaini Shia Islamic Centre

Hujjat Burial Orphan Fund - Fund set up to assist those who cannot afford the cost of burial

Capital fund - donations given in respect to capital expenditure on buildings.

Foundation fund - life subscriptions given by the members of the community.

Financial Independent scheme - donations for future capital projects.

Revaluation reserve - restricted reserve created on revaluation of the properties.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Analysis of Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2021 represented by:				
Total fixed assets	636,598	4,737	7,882,259	8,523,594
Net current assets	<u>282,505</u>	<u>584,275</u>	<u>649,980</u>	<u>1,516,760</u>
Total net assets	<u><u>919,103</u></u>	<u><u>589,012</u></u>	<u><u>8,532,239</u></u>	<u><u>10,040,354</u></u>

14 Reconciliation of net movement in funds to net cash flow from operating activities

	2,021 £	2020 £
Net movement in funds	(7,449)	(41,308)
Add back depreciation charge	45,651	70,057
Less profit on disposal	-	-
Less interest income	(2,344)	(3,667)
Increase in stock	3,505	-
(Increase) / decrease in debtors	120,831	-
(Decrease) / increase in creditors	<u>75,622</u>	<u>-</u>
Net cash generated from / (used in) operating activities	<u>235,816</u>	<u>25,082</u>

15 Related parties

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organization, The World Federation of Khoja Shia Ithna-sheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK. The World Federation of Khoja Shia Ithna-sheri Muslim Communities represents us when dealing with international work which includes disaster and general reliefs outside of the UK. Certain trustees of The KSIMC of London are also trustees of CoEJ and therefore CoEJ is a related party. £205,365 (2020: £175,630) has been collected on behalf of CoEJ and £334,549 (2020: £163,940) - including £60,000 sadka payments - has been paid out to CoEJ. A balance of £6,079 (2020: £72,086) is held in Restricted Funds on behalf of CoEJ.

In 2018 the KSIMC of London received a £100,000 loan from CoEJ via WF to be used for the Hujjat Housing Scheme (HHS). This loan has no set repayment date and no interest will be charged.

In addition, KSIMC of London provided a loan of £100,000 to Essex Jamaat via CoEJ also in 2018 to build their Islamic centre. This loan was fully repaid to KSIMC of London in 2021.

The KSIMC of London is a community based organisation and we are reliant on members of the community to provide their time to serve as Trustees of the Charity, for which they do not receive any remuneration. We also encourage the use of community members as the source for people, goods and services. As a consequence of the regular turnover of Trustees due to the 2 year term of each Executive Committee, there are occasions where the Charity has employees (in most cases such employment contracts typically pre date and outlast the Trustee's tenure) and/or procures goods and/or services from individuals who would otherwise be classified as related parties during the tenure of the relevant Trustee. During 2021, any related party employment contracts and contracts to procure goods and/or services were negotiated and managed independent of the relevant Trustee to ensure that such contracts were bona fide and were dealt with independently and at arm's length. In 2021 the aggregate of payments by the Charity to such related parties totalled £932 (2020: £36,000).

16 Post Balance Sheet Event

In April 2022 KSIMC of London exchanged contracts with the vendor for the acquisition of the Widewater Place Harefield property located at Moorhall Road, Harefield, UB9 6NS. The completion is expected before the end of 2022.

Paid to	Purpose	Relevant trustee	2021 £
Employees			
Masuma Hassan	IMS teacher	Shaahid Hasan Jaffer	-
Payments to Trustees			
A M KHAKU	Catering	Nasima Karim	932
			<u>932</u>
Payments to CoEJ			
	Various Funds		274,549
	Sadka		60,000
			<u>334,549</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

England & Wales - Charity number 288356

Accounts

www.hujjat.org



Husaini Shia Islamic Centre,
Wood Lane, Stanmore, HA7 4LQ, UK
T: +44 (0)20 8954 6247
E: admin@hujjat.org

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Registered Charity in UK No. 288356

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

LEGAL & ADMINISTRATIVE DETAILS

Status The Khoja Shia Ithnaasheri Muslim Community of London is an Unincorporated charitable body governed by its constitution and is constituted as a charitable trust. The constitution was adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020.

Charity Number 288356

Registered Office Husseini Islamic Centre
Wood Lane,
Stanmore
Middx
HA7 4LQ

Other Names Husseini Islamic Centre
Stanmore Mosque

Trustees

Altaf Daya	President & Custodian Trustee	(resigned on 20 September 2020)
Musafir Somani	Hon. Secretary & Custodian Trustee	(resigned on 20 September 2020)
Munir Chandoo	Asst. Secretary	(resigned on 20 September 2020)
Shams Kermalli	Hon. Treasurer & Custodian Trustee	(resigned on 20 September 2020)
Muzaffer Rashid	Asst. Treasurer	(resigned on 20 September 2020)
Muhammad Salim Kassam	Committee Member	(resigned on 20 September 2020)
Shaahid Hasan Jaffer	Committee Member	(resigned on 20 September 2020)
Dr Sadik Merali	Committee Member	(resigned on 20 September 2020)
Dr Tauseef Mehrali	Committee Member	(resigned on 20 September 2020)
Asim Nurmohamed	Committee Member	(resigned on 20 September 2020)
Marziya Jaffer	Chairlady	(resigned on 20 September 2020)
Sukaina Karim-Hussein	Committee Member	(resigned on 20 September 2020)
Farzana Karawalli	Committee Member	(resigned on 20 September 2020)

Abdul Hamid Mohamed Taqi	President & Custodian Trustee	(appointed on 20 September 2020)
Sibtain Allibhai	Vice President	(appointed on 20 September 2020)
Moshin Kassam	Hon. Secretary & Custodian Trustee	(appointed on 20 September 2020)
Mohamedasif Riyaz Rajabali	Asst. Secretary	(appointed on 20 September 2020)
Aqeel Merchant	Hon. Treasurer & Custodian Trustee	(appointed on 20 September 2020)
Muntazir Aunali Kanji	Asst. Treasurer	(appointed on 20 September 2020)
Nasima Azim Karim	Chairlady	(appointed on 20 September 2020)
Abbas Ismail	Committee Member	(appointed on 20 September 2020)
Muhammad Dato	Committee Member	(appointed on 20 September 2020)
Mumtaz Merali	Committee Member	(appointed on 20 September 2020)
Dr Mohammed Asad Abdullah	Committee Member	(appointed on 20 September 2020)
Dr Samana Fazel	Committee Member	(appointed on 20 September 2020)
Imran Shirazali Mohamedali Gulamhusein	Committee Member	(appointed on 20 September 2020)
Shiraz Jamal	Committee Member	(appointed on 20 September 2020)

Bankers Habib Bank AG Zurich Limited
Barclays Bank Plc

Auditors Chappmans Associates Limited
3 Coombe Road
London
NW10 0EB

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

PRESIDENT'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

Bismillahirrahmanirahim – I begin in the name of Allah SWT , The Most Merciful , The Most Beneficent.

We are delighted to present to you the audited financial statements for The KSIMC of London for the year ended 31 December 2020.

The KSIMC of London is fortunate and acknowledges the immense contribution of the dedicated volunteers to provide selfless services to all our members and non members alike. Even during these challenging times our dedicated volunteers have kept activities of the centre ongoing seven days a week catering for members of all ages and genders alike.

Our organisation is a fully registered charity relying heavily on the generous and magnanimous donations from our members and their families. Everyone in some way or the other is a contributor to our centre and this is how we are able to cater for services we provide on a daily basis to infants, children , youths , adults and seniors. Our activities include Religious Education, Marriages, Funerals, Sporting events, Secular education, Tuition centre to name but a few. Both genders benefit from these facilities. This also creates a great community atmosphere in the centre and helps bonding and lasting friendship between the members within it.

Our Montessori school is a very successful institution, and we are delighted to announce the opening of Hujjat Primary School, Harrow's first Muslim faith free school in September 2020. God Willing in the future, we would be looking to offer even more specific educational services and choice to our community members

The Covid 19 pandemic has affected many lives and businesses across the world and our charity and members are no exception. Since last year we have lost a number of our members and their relatives to this pandemic. I request you all to remember them in your prayers. May Allah SWT grant them a lofty station in Paradise. Ameen

The effect has been felt in our finances with a reduction in our unrestricted funds. In addition, the damage caused to our centre by the storm last year has increased the financial burden on the Jamaat. In these challenging times not only we must continue to look after our most in need members, but we must also work on the restoration of the centre back to its original glory and find a suitable temporary place of worship for the interim period. Despite the Covid 19 challenges, we have seen some amazing talents springing up within our community offering their services to the community be it virtually, on line or helping the sick, elderly and vulnerable in times of their dire need. We are very proud of our young members who took time out to help when needed.

I humbly request you to continue to support us by your generous donations and volunteer work for the community.

I am confident that in the Executive Committee and volunteers we have the right people to take us through this journey successfully with the help of Allah (swt). InshaAllah.

We will endeavour to continue providing excellent services to our members and strive to improve on any shortcomings.

Wasalaam



Abdul Hamid Mohamed Taqi
President
The KSIMC of London

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are pleased to present their annual report and the audited financial statements for the year ended 31 December 2020. The legal and administrative information appearing on page 3 forms a part of this report.

Structure, governance and management

The Charity is an unincorporated Charity governed by its Constitution adopted on 2 October 1983 and as amended on 26 March 2017 and on 20 September 2020, with periodic amendments to the Constitution as disclosed in the Minutes of the relevant general meetings.

In accordance with the provisions in the Constitution, the Trustees are elected every two years. The elections normally take place two weeks prior to the relevant Annual General Meeting of the Charity except in cases where elections are held to fill a vacancy when the elections are held at a Special or Extraordinary General Meeting. Due to the outbreak of the Covid19 pandemic in 2020 both the Annual General Meeting and the Elections of the Trustees were delayed until September 2020. On 6 September 2020, by the grace of Allah (swt) a new Executive Committee was elected and took over the office on 20 September 2020.

The Charity is managed by the office bearers and the Executive Committee whose roles are clearly defined in the constitution, and who met (virtually) at least 10 times a year.

The Trustees receive information about their role and responsibilities from a range of sources, including the Charity Commission and professional advisors to the Charity. Arrangements are in place for the induction of all newly appointed Trustees who receive a formal induction from the President of the Charity relating to their role and responsibilities as a trustee, prior to their first meeting.

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organisation, The World Federation of Khoja Shia Ithna-asheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK.

Conflicts of Interest

Trustees and staff are expected to conduct the business of the Charity with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from the Charity's work. All staff and Trustees have to declare their interests. At each Executive Committee meeting the Trustees are expected to inform those present to any interests, and may be asked not to participate during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also reported to the Executive Committee.

Public Benefit Statement

The Charity is a Public Benefit Entity.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit and have complied with the duty in section 17 of the Charities Act 2011 when reviewing the aims and objectives that have been set, and in planning the Charity's future activities.

Object, objectives and activities for the public benefit

The objects for which the Charity has been established is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith and to provide for the relief of poverty among Muslims of the Shia Ithna-Asheri faith.

The Charity through its Executive Committee has the power:

- (a) To encourage the practice of the Islamic Religion as taught by the Shia Ithna-Asheri faith in the City of London, across the UK and throughout the whole world.
- (b) To spread knowledge of the Islamic Religion as taught by the Shia Ithna-Asheri faith with a view to gaining adherents.
- (c) To secure the provision of Mosques and Imambara and to provide for the upkeep restoration and repair of their fabric and the maintenance of the services therein and to supply and embellish the furniture and fittings of such Mosques and Imambara.
- (d) To hold and arrange Islamic Religious services and ceremonies and in particular the performance of nikah.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

- (e) To provide religious education in the principles of the Islamic faith as taught by the Shia Ithna-Asheri faith.
- (f) To pay or assist in paying the funeral expenses of deceased Muslims who have died in straitened circumstances.
- (g) To establish, take over, maintain, endow or otherwise assist in the formation of religious or educational establishments where the Islamic Religion is taught in accordance with the principles laid down by the Shia Ithna-asheri faith so long as the objects of such establishments are exclusively charitable.
- (h) To receive donations whether impressed with any special trust (provided such trust is exclusively charitable) or not to be held and applied for the promotion of the Charity.
- (i) To issue appeals for donations and periodical reports on the work of the Charity.
- (j) To do all such other things as shall further the above-mentioned objects.

As a result of the general guidance on public benefit, the Trustees have assessed the objectives as follows:

- Hold regular congregations to observe and propagate the Shia Ithna-Asheri faith;
 - Repair and maintain the Charity's listed building where most of the activities take place;
 - Produce regular publications;
 - Maintain, and enhance, the Charity's website;
 - Arrange educational and faith seminars (including inter-faith symposiums);
 - Continuously cater for the youth and senior citizens;
 - Promote religious education; and
 - Enhance relationships within the local community.
- to try and secure separate accommodation for the Membership body

Achievements and Performance

In order to meet the objectives, the Trustees carried out several activities and are pleased to report the following achievements:

- Regular faith based occasions and commemorations held at the centre - weekly, seasonal and occasional;
- Senior Citizens meetings held virtually;
- Provide significant financial and other support for the youth and their sports and social activities;
- Provide support to those most affected in our community by the Covid 19 pandemic;
- Implementation of a new CRM Database - Salesforce
- Applied for and received multiple grants to support Hujjat services. COVID awareness grant (c£2k), COVID welfare and Bereavement support grant (£10k)
- Regularly engaging with the community through COVID initiatives - Kushali Nyaz/Hujjat Iftaar/Online programmes/Family quizzes/ Religious courses
- Formalisation of the Health and Wellbeing council and the launch of the bereavement service for members
- Hujjat Employment rebrand and launch
- Significant internal Hujjat process improvements / modernisation and automation of IT systems
- Facilitated the launch of the Hujjat Vaccine drive to help members get their 1st doses of the COVID vaccine
- Embarking on the refurbishment of the Hujjat centre following storm damage; Hujjat needs assessment initiative launched to facilitate
- Restart of COVID compliant religious functions at AL Zahra Centre Watford for Shabaan khushalis and the Holy month of Ramadhan

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

These achievements would not have been made without both the commitment and dedication of volunteers and the generous donations made by both members and non members of the community. Dedicated volunteers have contributed on average over 120 hours per week to running the services and donations have been received without the use of professional fundraisers or being bound by any scheme.

Investment Policy

The funds of the Charity that are not required for immediate application may be invested in such manner as the Trustees, from time to time, may approve.

During the year ended 31 December 2020 the funds were invested in various bank accounts and in investment property.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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.

Risk Management

The Trustees recognise that effective risk management is essential in achieving the Charity's objectives. Risk management is considered as an integral element of all decision making and identifying appropriate procedures to ensure that risk levels are acceptable in each case. The Trustees believe that it is important to develop and enhance the approach in risk management, to ensure it remains fit for purpose. The Charity will formalise the risk management and create a risk register which will be reviewed on regular basis.

Policy on reserves

To safeguard the core activities in periods of fluctuating income, the Trustees have determined to establish free reserves (i.e. those unrestricted reserves not tied up in tangible fixed assets) at a level sufficient to meet the Charity's requirements for a minimum period of 3 months of unrestricted expenditure in any given year equating to approximately £300,000.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

The level of General Funds as at 31 December 2020 is £923,835 (2019 - £1,064,988) of which £654,125 (2019 - £686,512) is represented by tangible fixed assets. The free reserves of the Charity therefore amount to £269,710 (2019 - £378,476) – the bulk of which is cash in the bank. As at the year end the Charity also had £571,524 (2019 - £486,146), mainly in cash, as funds designated for specific use as shown in note 11 and 13 to the accounts.

As at 31 December 2020 the Charity's Restricted funds were £8,552,449 (2019 - £8,537,982) of which £7,882,259 (2019 - ££7,882,259) is represented by fixed assets and balance of £670,190 (2019 - £655,723) in cash is represented by various funds as shown in note 13 to the accounts.

Financial review

The results of the Charity's activities are shown on pages 11 to 21 of the financial statements.

The Charity's main objective is to promote and advance the Islamic Religion in accordance with the principles of the Shia Ithna-Asheri faith. All the activities including the divisions under its control namely, The Islamic Montessori School, Shia Ithnaasheri Madressa, Hujjat Saturday Workshop, Husaini Tuition Centre, Islamic Bookshop and the Burial Fund contribute in achieving this main objective. All the income from these divisions and the donations received from the members and well-wishers of the Charity assist the Charity in meeting its main charitable objective of providing services to the community at large.

Income relating to unrestricted and restricted funds decreased by £99,967 (2019 - £29,395). Expenditure on these activities increased by £16,074 (2019 - increased by £37,435). The decrease in income mainly relates to a reduction in General Donation, income from activities of the centre and Montessori tuition fees all as a direct result of the effect of the pandemic.

Overall, net expenditure from unrestricted and designated activities is £55,775 (net income in 2019 - £55,321), and net income from restricted funds is £14,467 (2019 - £130,054). It is the intention of the Trustees to utilise the carry forward surpluses in unrestricted fund for the benefit of the members and fund future projects.

The start of 2020 has been an exceptional year due to COVID-19. Our community has been involved both individually and collectively in a number of charitable activities. Unfortunately our mosque has been closed for majority of the year. This has impacted on donations although there has been an increase in online donations and there is sufficient reserves for operational cashflows to take us through this difficult time. However we will need donations from members for repairs and renewal works to the centre to the extent not covered by the insurance proceeds.

Future Plans

In addition to the objectives outlined above, the Charity has additional objectives over the forthcoming 12 month period:

- Invest in training of all volunteers in the centre to improve efficiency in all services offered at the centre; by holding classes run by professional trainers
- Educating the members and community at large on social and health issues by inviting professional speakers and further promoting services provided such as health screening
- Working closely with the property team to ensure our centre refurbishment programs run efficiently and we can restore and modernise the centre to meet the needs of our community. Launch and develop a fundraising plan to raise the necessary funds to complete the project.
- Continue the search for the Hujjat Resident Aalim and appoint a scholar once a suitable candidate has been found
- Continue working with our youth and guide them in all aspects to be future leaders of our community.
- Assist our community members to deal with all the challenges of a post Covid. Specifically, mental and financial wellbeing, and active support to our senior members.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

- Continue to engage with the neighbours and other local communities to maintain cordial relationships.
- Upgrade our IT & AV system to meet the future challenges of the online world.
- Improve member engagement through a vibrant refreshed website, interactive and up-to date database and enhanced social media following.
- Expand and build upon the welfare & employment services, ensuring sustainable growth.
- Create effective ways of working within EC and engage with members more effectively for more transparency.

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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 irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Appreciation

The Charity relies heavily on services of volunteers. The Trustees wish to thank the Jamaat staff and all the volunteers for their unstinting hard work during 2020 and their on-going efforts in the daily administration of numerous areas of work we do.

The Trustees also wish to acknowledge the immense quantity of high quality work undertaken by staff, officers and volunteers in helping to achieve and deliver the charitable objectives of the Charity.

Auditors

Chapmans Associates Limited were the auditors of the Charity. Chapmans have indicated that they will no longer be having a audit function in their practice from April 2021 and have asked not to be reappointed as our auditors for 2021.

Therefore a resolution proposing an alternative firm be appointed as our new auditors will be put at a General Meeting.

Signed on behalf of the Trustees on15th MAY 2021



Moshin Kassam
Hon. Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Opinion

We have audited the financial statements of The Khoja Shia Ithnaasheri Muslim Community of London for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In the light of the knowledge and understanding of the Charity and environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on Page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

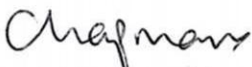
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with trustees including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of reports made by management;
- Understanding of internal controls designed to prevent and detect irregularities
- Reviewing of relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Reviewing unusual transactions outside the normal course of the charities activities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our Audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Chapmans Associates Limited
Statutory Auditor

3 Coombe Road
London
NW10 0EB

Date: 15/5/2021

Chapmans Associates Limited are eligible to act as auditors in terms of Section 1212 of the Companies Act 2006.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
Income					
<i>Income from generated funds</i>					
Donations	2	380,620	383,241	763,861	901,911
Subscriptions		333,235	-	333,235	254,287
<i>Activities for generating funds</i>					
Sundry income	3	106,762	-	106,762	87,337
<i>Investment income</i>	4	61,475	-	61,475	74,175
<i>Income from charitable activities</i>					
Activities of the centre		32,011	-	32,011	139,009
Burial facilities		334,264	-	334,264	218,328
Education		298,760	-	298,760	355,288
Total income		1,547,127	383,241	1,930,368	2,030,335
Expenditure					
<i>Costs of generating funds</i>		33,246	-	33,246	35,784
<i>Expenditure on charitable activities</i>					
Religious and spiritual activities		308,105	4,280	312,385	441,168
Secular education		274,007	-	274,007	261,227
Burial facilities		657,177	7,614	664,791	457,131
Youth, children and volunteers		15,890	3,955	19,845	37,821
Relief of the needy, poor, orphaned and widowed		-	352,925	352,925	298,792
Nyaz		282,976	-	282,976	360,486
<i>Governance</i>		31,501	-	31,501	63,193
Total expenditure	5	1,602,902	368,774	1,971,676	1,955,602
Net income / (expenditure)		(55,775)	14,467	(41,308)	74,733
Extraordinary item		-	-	-	-
Net movements in funds		(55,775)	14,467	(41,308)	74,733
Funds brought forward at the start of the year		1,551,134	8,537,982	10,089,116	10,014,383
Funds carried forward at the end of the year	11,12	1,495,359	8,552,449	10,047,808	10,089,116

There are no other recognised gains and losses other than those passing through the Statement of Financial Activities. All income and expenditure derive from continuing activities.

The notes on pages 16 to 23 form a part of these financial statements.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020	2020	2019	2019
		£	£	£	£
Fixed assets					
Tangible assets	7		8,541,846		8,573,333
Total fixed assets			<u>8,541,846</u>		<u>8,573,333</u>
Current assets					
Stock		51,620		51,822	
Debtors	8	190,027		253,302	
Cash at bank and in hand		1,418,322		1,377,974	
Debtors: Amounts falling due after more than one year	9	145,484		109,484	
Total current assets		<u>1,805,453</u>		<u>1,792,582</u>	
Liabilities					
Creditors: amounts falling due within one year	10	(199,491)		(176,799)	
Creditors: Amounts falling due after more than one year		(100,000)		(100,000)	
Net current assets			<u>1,505,962</u>		<u>1,515,783</u>
Net assets			<u><u>10,047,808</u></u>		<u><u>10,089,116</u></u>
The funds of the charity					
Unrestricted funds					
Designated funds	11	571,524		486,146	
General funds		923,835		1,064,988	
			1,495,359		1,551,134
Restricted funds					
Revaluation reserve	12	2,887,720		2,887,720	
Other		5,664,729		5,650,262	
			8,552,449		8,537,982
Total charity funds	13		<u><u>10,047,808</u></u>		<u><u>10,089,116</u></u>

The notes on pages 16 to 23 form a part of these financial statements

Approved for issue by the board of trustees and signed on its behalf by:



Abdul Hamid Mohamed Taqi - (President)



Aqeel Merchant - (Honorary Treasurer)

Date: 15th May 2021

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2,020	2019
		£	£
Cash used in operating activities			
Net movement in funds		(41,308)	74,733
Add back depreciation charge		70,057	53,087
Less interest income		(3,667)	(6,830)
Increase in stock		202	(5,648)
Increase in debtors		27,275	(224,141)
Increase in creditors		22,692	50,091
Net cash generated from / (used in) operating activities	14	75,251	(58,708)
Cashflows from investing activities			
Interest income		3,667	6,830
Sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		(38,570)	(443,954)
Net cash used in investing activities		(34,903)	(437,124)
Decrease in cash and cash equivalents in the year		40,348	(495,832)
Cash and cash equivalents at the beginning of the year		1,377,974	1,873,806
Cash and cash equivalents at the end of the year		1,418,322	1,377,974

The notes on pages 16 to 23 form a part of these financial statements

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting Policies

Charity Information

The legal and administrative information appearing on page 3 forms a part of these notes.

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

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)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity 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

These comprise income which is accounted for in the period in which it is received. Grants and Gift Aid are recognised when receivable, Government Grants and subscriptions for membership are recognised when received. Gift Aid received is treated as unrestricted income and utilised against the support costs of the

All income is included gross and related expenditure is included as expenditure.

Investment income is included in the accounts on an accruals basis.

Deferred Income

Income is recognised in the period to which it relates.

Expenditure

Costs of generating funds are those costs incurred in furthering the name and objects of the charity.

Governance comprises the costs of compliance with constitutional and statutory requirements and costs related to the strategic management of the charity.

Support costs are costs which are common to a number of activities and are charged to activities on the basis of a proportion of the use of the resource to the charitable activity.

In accordance with the Charities SORP (FRS 102), the general volunteer time of members and trustees is not recognised. The Trustees' annual report includes more information about their contribution).

Creditors and liabilities

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.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity 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.

Pensions

Employees of the Charity are entitled to join a defined contribution. The charity contribution is restricted to the contributions disclosed in note 5c. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support costs.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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

1 Accounting Policies (continued)

Tangible Fixed Assets and Depreciation

Fixed assets are recorded at cost or, where original cost is not ascertainable, at valuation at the time such assets were first capitalised, less depreciation where appropriate.

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, over their expected useful lives:

Building	over 50 years on a Straight Line Basis
Equipment	over 4 years on a Straight Line basis
Furniture and Fixtures	between 3 and 7 years on a Straight Line basis
Motor Vehicle	over 5 years on a Straight Line basis

The Land and other religious artefacts have not been depreciated in view of their nature. The freehold property is recognised at a valuation based on the information available to the Trustees and in their opinions. Professional valuations are carried out at regular intervals. The Trustees do not consider that it is economic to carry out professional revaluations each year.

Investment Property

Investment property is included in the Balance Sheet at open market value. The value is generally established by reference to independent 3rd party valuations obtained by the Trustees.

Taxation

No provision has been made for corporation tax or deferred tax as the charity is a registered charity and is therefore exempt. As the charity is not VAT registered, its expenditure for the year includes non recoverable VAT incurred.

Stock

Stock consists of books in the bookshop. The stock is valued at lower of cost and net realisable value.

Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes. Investment income and gains are allocated to the unrestricted funds.

Designated funds comprise funds which have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in note 11.

The restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund, if appropriate. The aim and use of each restricted fund is set out in note 12 of the financial statements. Transfers are made to/from restricted funds on approval by the Trustees when required to do so in order to enable the restricted fund to carry out its activities.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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

2 Donations

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Chawda Masumin, Jula and Imam Zamin	43,937	-	43,937	85,865
General donations	64,554	95,823	160,377	217,418
Nyaz	194,302	-	194,302	159,051
Sadka	-	75,388	75,388	140,234
Relief, religious and spiritual activities	-	212,030	212,030	226,209
Gift Aid	77,827	-	77,827	73,134
	<u>380,620</u>	<u>383,241</u>	<u>763,861</u>	<u>901,911</u>

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Parking	3,351	-	3,351	21,974
Announcement and adverts	4,380	-	4,380	6,935
Directory and calendar	5,503	-	5,503	5,241
Furlough Grants	38,112	-	38,112	-
Islamic bookshop	55,416	-	55,416	53,187
	<u>106,762</u>	<u>-</u>	<u>106,762</u>	<u>87,337</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Rent received	57,808	-	57,808	67,345
Interest received	3,667	-	3,667	6,830
	<u>61,475</u>	<u>-</u>	<u>61,475</u>	<u>74,175</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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

5a Total Expenditure	Direct Costs	Support Costs	Total 2020	Total 2019
	£	£	£	£
Costs of Generating Funds	-	33,246	33,246	35,784
Charitable Activities				
Religious and spiritual activities	222,468	89,917	312,385	441,168
Secular education	195,137	78,870	274,007	261,227
Burial	473,437	191,354	664,791	457,131
Youth, children and volunteers	19,845	-	19,845	37,821
Relief of the poor, orphaned and widowed	352,925	-	352,925	298,792
Food & Nyaz	201,524	81,452	282,976	360,486
Governance (see Note 5d)	29,662	1,839	31,501	63,193
	<u>1,494,998</u>	<u>476,677</u>	<u>1,971,676</u>	<u>1,955,602</u>
5b Support costs			2020	2019
			£	£
Motor vehicles expenditure			9,050	8,741
Car parking			10,392	14,338
Printing Postage Stationery			5,573	5,462
Telephone and internet			16,201	11,590
Insurances			15,009	18,341
Accountancy fees			-	6,205
Light & Heat			32,797	66,820
Rates & Water			3,326	2,936
Salaries and social security			181,447	166,462
Cleaning & Refuse Collection			16,129	38,557
Repairs & Maintenance			64,063	22,777
IT, Audio and Visual			31,093	10,359
Security expenses			2,314	18,368
Sundry Expenses			9,714	10,991
Bank charges and interest			11,803	8,563
Seniors Costs			2,550	3,775
Depreciation			65,216	47,687
			<u>476,677</u>	<u>461,972</u>
5c Staff costs			2020	2019
Staff costs comprise:			£	£
Wages and salaries			361,695	400,102
Social security costs			24,749	24,892
Pension contributions			5,477	5,242
			<u>391,921</u>	<u>430,236</u>
The average number of employees during the year was as follows:				
Full time employees			15	15
Part time employees			28	26
			<u>43</u>	<u>41</u>
Staff numbers as analysed by category:				
Charitable activities			38	36
Governance			5	5
			<u>43</u>	<u>41</u>

There were no employees during the period whose emoluments amounted to over £60,000 (2019: none).

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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

5d Governance costs

	2020 £	2019 £
Auditors remuneration	3,580	3,940
Legal and professional fees	23,881	52,790
Subscriptions	2,201	4,693
Share of support costs	1,839	1,770
	<u>31,501</u>	<u>63,193</u>

6 Trustees

No Trustee received any remuneration from the Charity for performing their duties as a trustee (2019 - £Nil). During the year a total of no money was paid to a Trustee (2019 £Nil), during their tenure as a Trustee, as remuneration for support services other than performing their duties as a Trustee.

No Trustees received reimbursement for costs for attending meetings and travelling expenses during the year (2019 - £Nil).

7 Tangible Fixed Assets

Cost or Valuation	Freehold Property £	Investment Property £	Equipment £	Furniture & Fittings £	Motor Vehicles £	Total £
At 1 January 2020	7,000,000	1,625,000	217,291	184,987	87,621	9,114,899
Additions	-	-	35,012	3,558	-	38,570
Disposals	-	-	-	-	-	-
At 31 December 2020	<u>7,000,000</u>	<u>1,625,000</u>	<u>252,303</u>	<u>188,545</u>	<u>87,621</u>	<u>9,153,469</u>
Depreciation						
At 1 January 2020	120,000	-	188,795	153,280	79,491	541,566
Charge for the year	20,000	-	26,819	17,485	5,753	70,057
Disposals	-	-	-	-	-	-
At 31 December 2020	<u>140,000</u>	<u>-</u>	<u>215,614</u>	<u>170,765</u>	<u>85,244</u>	<u>611,623</u>
Net Book Value						
At 31 December 2020	<u>6,860,000</u>	<u>1,625,000</u>	<u>36,689</u>	<u>17,780</u>	<u>2,377</u>	<u>8,541,846</u>
At 31 December 2019	<u>6,880,000</u>	<u>1,625,000</u>	<u>28,496</u>	<u>31,707</u>	<u>8,130</u>	<u>8,573,333</u>

The freehold property and investment property were revalued at market value by the Trustees in a prior period. The investment property has been valued as at 31 December 2016 at £1.2 million by a Chartered Surveyor, Roger Lumby, Penn Court, Church Road, Penn, High Wycombe HP10 8NU. The Trustees appraised the value of the freehold property as at 31 December 2018 based on guidance from an independent 3rd party and concluded that the value of the freehold property is fairly stated. The historical cost of the freehold property is £4,889,237 and the investment property is £423,043. In October 2019 a 3 bedroom flat in a gated development was purchased for £425,000.

8 Debtors

	2020 £	2019 £
Prepayments and accrued income	83,258	151,803
Other debtors	106,769	101,499
	<u>190,027</u>	<u>253,302</u>

9 Debtors: Amounts falling due after more than one year

	2020 £	2019 £
Hujjat Housing Scheme	<u>145,484</u>	<u>109,484</u>

The amount is held in trust by two ex-trustees to facilitate the Hujjat Housing Scheme (HHS). The money is used as a guarantee for first time buyers taking out a Springboard mortgage with Barclays Bank.

10a Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	10,440	23,688
Accruals and deferred income (see Note 10b for deferred income breakdown)	189,051	153,111
	<u>199,491</u>	<u>176,799</u>

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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

10b Deferred income	2020	2019
	£	£
At 1 January	79,580	71,840
Released to income	(79,580)	(71,840)
Deferred in year	35,044	79,580
At 31 December	<u>35,044</u>	<u>79,580</u>

Deferred income at the year end relates to education fees and subscriptions paid in advance

11 Unrestricted Funds

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Designated fund				
Burial	315,065	211,550	(161,661)	364,954
Secular Education	52,065	186,606	(206,387)	32,284
Religious Education	93,695	142,351	(81,799)	154,247
Seniors Activities	19,045	10,950	(14,461)	15,534
Al Haadi	2,824	1,031	(696)	3,159
Other	3,452	12,438	(14,544)	1,346
	<u>486,146</u>	<u>564,926</u>	<u>(479,548)</u>	<u>571,524</u>
General fund	1,064,988	982,199	(1,123,352)	923,835
	<u>1,551,134</u>	<u>1,547,125</u>	<u>(1,602,900)</u>	<u>1,495,359</u>

Burial fund

Burial fund relates to membership subscriptions for future burial needs.

Secular Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational uses by Islamic Montessori School and Husaini Tuition Centre.

Religious Education fund

Education fund relates to surplus reserves which the Trustees have designated specifically for future educational uses by Shia Ithnasheri Madressa and Hujjat Saturday Workshop

Seniors Activities fund

Seniors Activities fund relates to surplus reserves which the Trustees have designated specifically for future uses by the Seniors for their activities

Other fund

Other fund relates funds designated by the Trustees for future use for specific religious activities

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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

12 Restricted Funds

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Children gifts	3	-	(2)	1
Husaini voluntary corps	567	250	(75)	742
Sadka and welfare	79,623	71,972	(110,671)	40,924
Relief and Khums	60,396	175,630	(163,940)	72,086
Bewa and yatim	7,284	3,416	(7,284)	3,416
Upliftment	12,500	36,400	(40,000)	8,900
Friday Social	-	3,620	(3,758)	(138)
Stanmore Jaffery	-	-	(120)	(120)
Library	622	35	-	657
Medical	101	186	-	287
Brookwood cemetery	-	-	-	-
Ladies activities	1,256	-	-	1,256
Fountain fund	150	-	-	150
British Sign Language	1,579	-	-	1,579
Covid Fund	-	36,707	(30,330)	6,377
London Community Covid Grant	-	10,000	(700)	9,300
Lady Zainab Repairs Fund	-	3,995	-	3,995
Hujjat Burial Orphan Fund	-	41,030	(7,614)	33,416
Capital (fixed asset) fund	4,994,539	-	-	4,994,539
Foundation Fund	331,138	-	-	331,138
Financial Independent scheme	160,504	-	(4,280)	156,224
	<u>5,650,262</u>	<u>383,241</u>	<u>(368,774)</u>	<u>5,664,729</u>
Revaluation reserve	<u>2,887,720</u>	<u>-</u>	<u>-</u>	<u>2,887,720</u>
	<u><u>8,537,982</u></u>	<u><u>383,241</u></u>	<u><u>(368,774)</u></u>	<u><u>8,552,449</u></u>

Descriptions of funds

Children gifts - donations given for the benefit of children within the community.

Library - funds provided for the provision of Islamic material for use by the membership body.

Husaini Voluntary Corps - donations specifically given for the welfare of the volunteers of the community.

Stanmore Jaffery - comprises funds collected on behalf of and paid to the youth body.

Medical - donations specifically given for medical supplies.

Sadka and welfare - donations collected and to be used for the poor and the needy of the wider community.

Brookwood cemetery - a specific donation made for the future repairs of the cemetery.

Fountain fund - a specific donation given for building a fountain in the centre.

Ladies activities - funds donated for the provision of ladies activities and sports.

Relief and Khums - provision of funds for world relief projects and obligatory religious payments.

Bewa and yatim - donations collected and to be used for the welfare of orphans and widows within the community.

Upliftment - donated funds for the upliftment of eligible members

British Sign Language - a specific donation given to facilitate members who require sign language.

Covid Fund - provision of funds those affected by the Covid 19 pandemic

London Community Covid Grant - Grant received to support those affected by the Covid 19 pandemic

Lady Zainab Repairs Fund - Fund set up to for repairs and restoration of the Hussaini Shia Islamic Centre

Hujjat Burial Orphan Fund - Fund set up to assist those who cannot afford the cost of burial

Capital fund - donations given in respect to capital expenditure on buildings.

Foundation fund - life subscriptions given by the members of the community.

Financial Independent scheme - donations for future capital projects.

Revaluation reserve - restricted reserve created on revaluation of the properties.

THE KHOJA SHIA ITHNAASHERI MUSLIM COMMUNITY OF LONDON

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

13 Analysis of Net Assets between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2020 represented by:				
Total fixed assets	654,125	5,462	7,882,259	8,541,846
Net current assets	<u>269,710</u>	<u>566,062</u>	<u>670,190</u>	<u>1,505,962</u>
Total net assets	<u><u>923,835</u></u>	<u><u>571,524</u></u>	<u><u>8,552,449</u></u>	<u><u>10,047,808</u></u>

14 Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds	(41,308)	74,733
Add back depreciation charge	70,057	53,087
Less profit on disposal	-	-
Less interest income	(3,667)	(6,830)
Increase in stock	202	(5,648)
(Increase) / decrease in debtors	27,275	(224,141)
(Decrease) / increase in creditors	<u>22,692</u>	<u>50,091</u>
Net cash generated from / (used in) operating activities	<u><u>75,251</u></u>	<u><u>(58,708)</u></u>

15 Related parties

The Charity, although independent, is involved with a wider network of charities. It is a member of a regional council, The Council of European Jamaats (CoEJ) which represents The KSIMC of London at the global organization, The World Federation of Khoja Shia Ithna-sheri Muslim Communities (WF). Both charities are registered with the Charities Commission in the UK. The World Federation of Khoja Shia Ithna-sheri Muslim Communities represents us when dealing with international work which includes disaster and general reliefs outside of the UK. Certain trustees of The KSIMC of London are also trustees of CoEJ and therefore CoEJ is a related party. £175,630 (2019: £226,209) has been collected on behalf of CoEJ and £163,940 (2019: £193,582) has been paid out. A balance of £72,086 (2019: £60,396) is held in Restricted Funds.

In 2018 the KSIMC of London received a £100,000 loan from CoEJ via WF to be used for the Hujjat Housing Scheme (HHS). This loan has no set repayment date and no interest will be charged. In addition, KSIMC of London provided a loan of £100,000 to Essex Jamaat via CoEJ also in 2018 to build their Islamic centre. This loan was repaid to KSIMC of London in 2021.

The KSIMC of London is a community based organisation and we are reliant on members of the community to provide their time to serve as Trustees of the Charity, for which they do not receive any remuneration. We also encourage the use of community members as the source for people, goods and services. As a consequence of the regular turnover of Trustees due to the 2 year term of each Executive Committee, there are occasions where the Charity has employees (in most cases such employment contracts typically pre date and outlast the Trustee's tenure) and/or procures goods and/or services from individuals who would otherwise be classified as related parties during the tenure of the relevant Trustee. During 2020, any related party employment contracts and contracts to procure goods and/or services were negotiated and managed independent of the relevant Trustee to ensure that such contracts were bona fide and were dealt with independently and at arm's length. In 2020 the aggregate of payments by the Charity to such related parties totalled £36,000 (2019: £144,341). Increase mainly relates to Hujjat Housing Scheme.