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**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 Mehrli	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 Datto	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** Chapmans 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 of 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 on 15<sup>th</sup> 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.

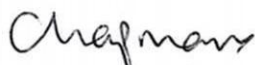
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting 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](http://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
		£	£	£	£
<b>Income</b>					
<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
<b>Total income</b>		<b>1,547,127</b>	<b>383,241</b>	<b>1,930,368</b>	<b>2,030,335</b>
<b>Expenditure</b>					
<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
<b>Total expenditure</b>	5	<b>1,602,902</b>	<b>368,774</b>	<b>1,971,676</b>	<b>1,955,602</b>
<b>Net income / (expenditure)</b>		<b>(55,775)</b>	<b>14,467</b>	<b>(41,308)</b>	<b>74,733</b>
<b>Extraordinary item</b>		-	-	-	-
<b>Net movements in funds</b>		<b>(55,775)</b>	<b>14,467</b>	<b>(41,308)</b>	<b>74,733</b>
Funds brought forward at the start of the year		1,551,134	8,537,982	10,089,116	10,014,383
<b>Funds carried forward at the end of the year</b>	11,12	<b>1,495,359</b>	<b>8,552,449</b>	<b>10,047,808</b>	<b>10,089,116</b>

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
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		8,541,846		8,573,333
<b>Total fixed assets</b>			<u>8,541,846</u>		<u>8,573,333</u>
<b>Current assets</b>					
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	
<b>Total current assets</b>		<u>1,805,453</u>		<u>1,792,582</u>	
<b>Liabilities</b>					
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)	
<b>Net current assets</b>			<u>1,505,962</u>		<u>1,515,783</u>
<b>Net assets</b>			<u><u>10,047,808</u></u>		<u><u>10,089,116</u></u>
<b>The funds of the charity</b>					
Unrestricted funds	11				
Designated funds		571,524		486,146	
General funds		<u>923,835</u>		<u>1,064,988</u>	
			1,495,359		1,551,134
Restricted funds	12				
Revaluation reserve		2,887,720		2,887,720	
Other		<u>5,664,729</u>		<u>5,650,262</u>	
			8,552,449		8,537,982
<b>Total charity funds</b>	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: 15<sup>th</sup> 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
		£	£
<b>Cash used in operating activities</b>			
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
<b>Net cash generated from / (used in) operating activities</b>	14	<b>75,251</b>	<b>(58,708)</b>
<b>Cashflows from investing activities</b>			
Interest income		3,667	6,830
Sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		(38,570)	(443,954)
<b>Net cash used in investing activities</b>		<b>(34,903)</b>	<b>(437,124)</b>
<b>Decrease in cash and cash equivalents in the year</b>		<b>40,348</b>	<b>(495,832)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,377,974</b>	<b>1,873,806</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>1,418,322</b>	<b>1,377,974</b>

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

Staff costs comprise:	2020	2019
	£	£
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>
<b>Depreciation</b>						
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>
<b>Net Book Value</b>						
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	145,484	109,484

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>8,537,982</u>	<u>383,241</u>	<u>(368,774)</u>	<u>8,552,449</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	269,710	566,062	670,190	1,505,962
Total net assets	<u>923,835</u>	<u>571,524</u>	<u>8,552,449</u>	<u>10,047,808</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	22,692	50,091
Net cash generated from / (used in) operating activities	<u>75,251</u>	<u>(58,708)</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.