

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 October 2021
for
The Shia Islamic Education Society

Preston Accountants Limited
Chartered Certified Accountants
1 Carlton Parade
Preston Road
Wembley
Middlesex
HA9 8NE

Contents of the Financial Statements
for the Year Ended 31 October 2021

| | Page |
|--|---------|
| Report of the Trustees | 1 to 2 |
| Independent Examiner's Report | 3 |
| Statement of Financial Activities | 4 |
| Statement of Financial Position | 5 |
| Notes to the Financial Statements | 6 to 10 |
| Detailed Statement of Financial Activities | 11 |

The trustees present their report with the financial statements of the charity for the year ended 31 October 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Shia Islamic Education Society has been set up to promote and advance the Islamic religion in accordance with the principles of the Shia Ithna-Asheri faith and for the relief of the poor belonging to the Shia sect. In order to meet the objectives, the Trustees can secure the provision of education and other religious services. The Managing Trustee can raise funds for the upkeep, restoration and repair of the buildings used for this purpose and to provide other services to meet these objectives.

The results for the year are shown in the financial statements. The statement of financial activities shows the incoming resources and the resources expended by the different activities conducted under the charity's name.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2021 to have due regard to the public benefit guidance by the Charity Commission for England and Wales.

FINANCIAL REVIEW

Financial position

The charity regularly hold meetings to discuss the accounts, new and existing donation requests and to discuss future fund raising events. The charity has worked hard this year in raising funds and the costs have been well managed over this period.

Reserves policy

It is the policy of the Charity to maintain unrestricted funds so that it can offer a faster response to new and existing charitable causes, with a minimum reserve for organising and setup costs. Special events are organised throughout the year to raise funds for new and existing causes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Recruitment and appointment of new trustees

The existing trustees are responsible for the recruitment of new trustees but in so doing the trustees seek the views and recommendations of both elders and community leaders. The trustees believe this approach ensures that new trustees are respected members of the faith and local communities and ensures that good relations are fostered between the Charity and the people of the local community that we serve.

In selecting new trustees, we seek to identify people who regularly attend events and functions organised by the charity and are willing to volunteer to help in our broader community work. Potential trustees are invited to attend trustees' meetings as observers and are given more details of the charity's aims and activities and, if all agree, they are then proposed as new trustees at the subsequent trustees' meeting. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have made no risk related investments. A formal review is undertaken regularly to ensure that all surplus funds are invested in bank and building society accounts at best rates of interest.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

292522

The Shia Islamic Education Society

Report of the Trustees
for the Year Ended 31 October 2021

Principal address

127-133
Rowan Road
London
SW16 5HU

Trustees

Miss S S S Hussain
A Rajani
A S M Sibtain Rizvi
S Z U S Rizvi
S S N H Zaidi

Independent Examiner

Murtaza Visram
Association of Chartered Certified Accountants (FCCA)
Preston Accountants Limited
Chartered Certified Accountants
1 Carlton Parade
Preston Road
Wembley
Middlesex
HA9 8NE

Approved by order of the board of trustees on 30 August 2022 and signed on its behalf by:

A S M Sibtain Rizvi - Trustee

Independent examiner's report to the trustees of The Shia Islamic Education Society

I report to the charity trustees on my examination of the accounts of The Shia Islamic Education Society (the Trust) for the year ended 31 October 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Murtaza Visram
Association of Chartered Certified Accountants (FCCA)
Preston Accountants Limited
Chartered Certified Accountants
1 Carlton Parade
Preston Road
Wembley
Middlesex
HA9 8NE

30 August 2022

The Shia Islamic Education Society

Statement of Financial Activities
for the Year Ended 31 October 2021

| | Notes | 31.10.21 Unrestricted fund £ | 31.10.20 Total funds £ |
|------------------------------------|-------|---------------------------------------|---------------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | | 30,169 | 22,983 |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Governance cost | | 3,433 | 6,340 |
| Premises Cost | | 5,412 | 5,506 |
| Support cost | | 13,351 | - |
| General office costs | | 1,200 | 1,959 |
| Other | | 16,396 | 3,594 |
| Total | | 39,792 | 17,399 |
| NET INCOME/(EXPENDITURE) | | (9,623) | 5,584 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | 190,029 | 184,445 |
| TOTAL FUNDS CARRIED FORWARD | | 180,406 | 190,029 |

The notes form part of these financial statements

| | Notes | 31.10.21 Unrestricted fund £ | 31.10.20 Total funds £ |
|--|-------|---------------------------------------|---------------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 165,553 | 165,568 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 1,915 | 1,915 |
| Cash at bank | | 17,825 | 27,381 |
| | | <hr/> | <hr/> |
| | | 19,740 | 29,296 |
| CREDITORS | | | |
| Amounts falling due within one year | 9 | (4,887) | (4,835) |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 14,853 | 24,461 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 180,406 | 190,029 |
| | | <hr/> | <hr/> |
| NET ASSETS | | 180,406 | 190,029 |
| | | <hr/> | <hr/> |
| FUNDS | 10 | | |
| Unrestricted funds | | 180,406 | 190,029 |
| | | <hr/> | <hr/> |
| TOTAL FUNDS | | 180,406 | 190,029 |
| | | <hr/> | <hr/> |

The financial statements were approved by the Board of Trustees and authorised for issue on 30 August 2022 and were signed on its behalf by:

A S M Sibtain Rizvi - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

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

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

2. TRUSTEES' REMUNERATION AND BENEFITS

| | 31.10.21 | 31.10.20 |
|---------------------------|----------|----------|
| | £ | £ |
| Trustees' salaries | 13,200 | - |
| Trustees' social security | 151 | - |
| | <hr/> | <hr/> |
| | 13,351 | - |
| | <hr/> | <hr/> |

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 October 2021 nor for the year ended 31 October 2020.

3. STAFF COSTS

Average monthly number of employees during the year 31 Oct 2021 is one and 31 Oct 2020 was nil.

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ |
|--|---------------------------|
| INCOME AND ENDOWMENTS FROM | |
| Donations and legacies | 22,983 |
| EXPENDITURE ON | |
| Charitable activities | |
| Governance cost | 6,340 |
| Premises Cost | 5,506 |
| General office costs | 1,959 |
| Other | <hr/> 3,594 |
| Total | <hr/> 17,399 |
| NET INCOME | <hr/> 5,584 |
| RECONCILIATION OF FUNDS | |
| Total funds brought forward | <hr/> 184,445 |
| TOTAL FUNDS CARRIED FORWARD | <hr/> <hr/> 190,029 |

5. FUNDS STRUCTURE

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations is recognised on receipt or accrued as income as soon as practical and prudent to do so.

Income from charitable activities include fees receivable from donors and is credited in the same year as the relevant income.

All expenditure is accounted for on an accrual basis and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable activities include all costs that are allocated between expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to particular activities are allocated directly, others on an estimated usage basis.

6. INDEPENDENT EXAMINER'S REMUNERATION

| | 2021 | 2020 |
|---|------|------|
| | £ | £ |
| Examination of the financial statements | 840 | 840 |

7. TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------|---------------------------|-----------------------------|----------------------------------|----------------------------|-------------|
| COST | | | | | |
| At 1 November 2020 | 164,451 | 16,666 | 13,646 | - | 194,763 |
| Additions | - | - | - | 352 | 352 |
| At 31 October 2021 | 164,451 | 16,666 | 13,646 | 352 | 195,115 |
| DEPRECIATION | | | | | |
| At 1 November 2020 | - | 16,666 | 12,529 | - | 29,195 |
| Charge for year | - | - | 279 | 88 | 367 |
| At 31 October 2021 | - | 16,666 | 12,808 | 88 | 29,562 |
| NET BOOK VALUE | | | | | |
| At 31 October 2021 | 164,451 | - | 838 | 264 | 165,553 |
| At 31 October 2020 | 164,451 | - | 1,117 | - | 165,568 |

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.10.21 | 31.10.20 |
|-------------|--------------|--------------|
| | £ | £ |
| Prepayments | 1,915 | 1,915 |
| | <u>1,915</u> | <u>1,915</u> |

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.10.21 | 31.10.20 |
|------------------------------|--------------|--------------|
| | £ | £ |
| Taxation and social security | 702 | - |
| Other creditors | 4,185 | 4,835 |
| | <u>4,887</u> | <u>4,835</u> |

10. MOVEMENT IN FUNDS

| | At 1.11.20 £ | Net movement in funds £ | At 31.10.21 £ |
|---------------------------|--------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 190,029 | (9,623) | 180,406 |
| | <u>190,029</u> | <u>(9,623)</u> | <u>180,406</u> |
| TOTAL FUNDS | <u>190,029</u> | <u>(9,623)</u> | <u>180,406</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 30,169 | (39,792) | (9,623) |
| | <u>30,169</u> | <u>(39,792)</u> | <u>(9,623)</u> |
| TOTAL FUNDS | <u>30,169</u> | <u>(39,792)</u> | <u>(9,623)</u> |

Comparatives for movement in funds

| | At 1.11.19 £ | Net movement in funds £ | At 31.10.20 £ |
|---------------------------|--------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 184,445 | 5,584 | 190,029 |
| | <u>184,445</u> | <u>5,584</u> | <u>190,029</u> |
| TOTAL FUNDS | <u>184,445</u> | <u>5,584</u> | <u>190,029</u> |

10. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 22,983 | (17,399) | 5,584 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>22,983</u> | <u>(17,399)</u> | <u>5,584</u> |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1.11.19 £ | Net movement in funds £ | At 31.10.21 £ |
|---------------------------|--------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 184,445 | (4,039) | 180,406 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>184,445</u> | <u>(4,039)</u> | <u>180,406</u> |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 53,152 | (57,191) | (4,039) |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>53,152</u> | <u>(57,191)</u> | <u>(4,039)</u> |

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 October 2021.

Detailed Statement of Financial Activities
for the Year Ended 31 October 2021

| | 31.10.21 £ | 31.10.20 £ |
|---------------------------------|---------------|---------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 30,169 | 22,983 |
| Total incoming resources | 30,169 | 22,983 |
| EXPENDITURE | | |
| Other | | |
| Repairs & renewals | 16,396 | 3,594 |
| Support costs | | |
| Management | | |
| Trustees' salaries | 13,200 | - |
| Trustees' social security | 151 | - |
| Household & cleaning | - | 350 |
| | 13,351 | 350 |
| Other | | |
| Rates and water | 2,288 | 1,952 |
| Insurance | 1,915 | 1,588 |
| Light and heat | 1,209 | 1,604 |
| Telephone | 833 | 1,587 |
| Plant and machinery | - | 12 |
| Fixtures and fittings | 279 | 372 |
| Computer equipment | 88 | - |
| | 6,612 | 7,115 |
| Governance costs | | |
| Accountancy and legal fees | 840 | 840 |
| Lecturing Costs | 2,593 | 5,500 |
| | 3,433 | 6,340 |
| Total resources expended | 39,792 | 17,399 |
| Net (expenditure)/income | (9,623) | 5,584 |