

Registered number: 0298944

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION

Report and Financial Statements

For the Year ended 31 March 2021

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021

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THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021

LEGAL AND ADMINISTRATIVE INFORMATION

Officers and Professional advisers

TREASURER

Mr. Rasheed Saliu (FCA, FCCA, FFA, FFTA)

TRUSTEES

Mr. Bashir Ahmad Niaz
Mr. Islam Majid
Mr. Liqueat Khan
Mr. Muhammed Saleem Nauuab
Mr. Abdul Khaliq

REGISTERED OFFICE

62, Halling Hill
Harlow
Essex
CM20 3JL

BANKERS

Lloyds TSB Bank PLC
25, Gresham Street, London
EC2V 7UN

Al Rayan Bank PLC
77-79 Edgware Road
London
W2 2HZ

EXAMINER

AACSL ACCOUNTANTS LIMITED
1ST Floor
Northwest gate House
Harlow
Essex
CM20 1YS

CHARITY NUMBER

0298944

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 March 2021

The Trustees, for the purposes of the Charities Act 2011 as amended and Statement of Recommended Practice (SORP) 2005, submit their annual report and financial statements for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the Charity. The Charity is governed by a Memorandum and Articles of Association.

PRINCIPAL ACTIVITIES, AIMS AND ORGANISATION OF THE CHARITY

The primary objective of the charity is to run an Islamic Centre with separate Arabic and Quranic classes for boys and girls aged 5-12 years.

We believe in lifelong learning process. We believe in bringing positive changes to the lives of individuals who come to the centre. We have shared values about being inclusive and value-led

Our aim is to serve Harlow Muslim community and the community at large, and create understanding between Muslim and non-Muslim communities, to keep a good relationship with all the communities, to encourage different religious understandings and to host and encourage the 3 faiths forum.

We as Muslim leaders of the community need to build a bridge between other faiths and communities under these difficult times for race relation.

THE MAIN ACHIEVEMENTS OF THE ORGANISATION DURING THE PERIOD WERE:

- Continuous establishment of regular daily and Friday's prayers at centre
- Establishment of a Community Centre committee to co-ordinate the activities of the charity. This committee has organised various events within the year including the recent "Community well being"
- Organised two Arabic classes for girls and boys with world class lecturers. This is progressing better by the day.
- Established partnerships with the local Council and the immediate community. This is being achieved through various events organised as mentioned below.
- New education Academy set up – with over 85 students and six teachers
- School Visits programme
- New Cub Scouts programme
- Regular Neighbourhood and Policing (NAP) meeting
- Liaising with the police on Anti-social behaviour
- Crime prevention work shops
- Fire safety work shop
- MP surgery
- Community 'Iftar' with local council, police, MPs and heads of Schools.
- Engaged with local and National Media on issues that have affected the Muslim community in Harlow
- Raising awareness for local Food bank and donated over 264kg of food.
- We are part of country wide campaign of open day at Mosque

The 2019-20 year has been a very challenging year for the charity. The Herts & Essex Muslim Cultural Association has modified part the internal structure of the acquired building to enable members continue to worship and organise the Arabic classes.

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 March 2021

PLANS FOR THE FUTURE

The Charity will continue to consolidate its programmes and seek their sustainability through individual users

- We plan to effectively develop the centre as contained in our objective.
- Continue to impart Islamic knowledge through organised classes and lectures where members of all the communities are invited
- Ensure the Centre is opened 5 times a day every day of the year in order to uphold the established regular daily and Friday prayers.
- Position the Centre to be able to hold Islamic activities such as marriages and others functions.
- We have signed a new 20 years lease with the local authority for a part of the land which was on the front of our building to use it as a car park, and construction work for car park has now completed.

This makes it easy for centre users and takes the restraint of local parking for community relations.

INCOME GENERATION

The Charity has generated £81,912 (2020: £109,685) during the year. This includes both direct transfers into charity's account and cash donations.

RISKS

The factors that may affect the Charity's delivery of its objectives include:

- a) Reputation of Charity and the relationship with the community.

The Herts & Essex Muslim Cultural Association produces an annual plan for delivery against its objectives. This plan sets out the targets for the year and is then broken down to a work plan. The Herts & Essex Muslim Cultural Association has developed a strategy, which specifies how it will deliver the key programmes of work. The strategy also identifies targets and performance indicators.

RESERVES POLICY

The Charity aims to build reserve which will enable it to meet its average annual operational need. The Trustees review the reserves held by the Charity on a regular basis to ensure that an appropriate level of funds is held to meet the above policy of the Charity going forward. The charity's funds include restricted and unrestricted funds.

The Trustees have continuously built unrestricted reserves from the direct debit contributions. This started after due consultation with the funders, in order to meet the operational objective of the charity.

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 March 2021

GOVERNANCE AND INTERNAL CONTROL

A Board of Trustees governs the Charity. New Trustees are selected by the Board of Trustees. At 31 March 2021, the Board had a membership of five people.

The Board meets three times a year to agree key policy decisions, set the strategy for the charity and oversee its performance. At present the Board has committee members who are responsible for the day-to-day activities of the charity. None of the committee members is being remunerated.

All Trustees receive the handbook for Trustees provided through the Charity Commission. Each Trustee will have an induction programme by other Trustees and receive an information pack on the Charity and its finances. Beyond this the Charity follows the code of practice for governance produced by the Governance Hub.

Company law requires the Trustees to prepare financial statements for each financial year, which comply with the Charities Act 1993 as amended

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

They include:

- A strategic plan and annual budget approved by the Trustees;
- Regular consideration by the Trustees of financial results, in particular variance from budget; and
- Delegation of authority and segregation of duties.

STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in its activities.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Charities Act 1993 as amended. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION

REPORT OF THE TRUSTEES (continued)

YEAR ENDED 31 March 2021

DISCLOSURE OF INFORMATION TO EXAMINER

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant information of which the Charity's examiner is unaware; and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/ herself aware of any relevant information and to establish that the Charity's examiner is aware of that information.

EXAMINER

In line with the provision exemption in the Charities Act 2011 as amended, the trust decided to appoint an examiner, which will review the accounts for the year ended 31 March 2021. In accordance with this appointment, AACSL ACCOUNTANTS LIMITED was appointed as examiner.

Approved by the Board of Trustees and signed on behalf of the Board by:

Mr. Liquat Khan on behalf of the trust.

Trustee

08/12/2021

Independent Examiner's Report to the Trustees of Herts & Essex Muslim Cultural Association

I report on the accounts of the Trust for the year ended 31 March 2021, which are set out on pages 9 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 43(3)(a) of the 1993 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 Act); and
- To state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) Which gives me reasonable cause to believe that in any material respect the requirements?

- to keep accounting records in accordance with section 41 of the 2011 Act; and
- To prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act as amended.

Have not been met; or

(2) To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

AACSL ACCOUNTANTS LIMITED

1ST Floor
North Westgate House
Harlow
Essex
CM20 1YS

08/12/2021

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

YEAR ENDED 31 MARCH 2021

| | Notes | Un-restricted funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ | Total Funds 2020 £ |
|---|----------|-------------------------------------|----------------------------------|--------------------------|--------------------------|
| INCOMING RESOURCES | | | | | |
| Donations, Legacies and similar incoming resources | | 81,912 | | 81,912 | 109,685 |
| Others - Gift Aid | | - | - | - | - |
| TOTAL INCOMING RESOURCES | 2 | 81,912 | - | 81,912 | 109,685 |
| RESOURCES EXPENDED | | | | | |
| Cost of generating funds: | | | | | |
| Cost of generating voluntary Income | | - | - | - | - |
| Charitable Activities: | | | | | |
| Community Projects /Other Resources Expended | | 141,995 | | | 65,403 |
| Governance | | 251 | | | 468 |
| | | | | - | |
| | | | | - | |
| TOTAL RESOURCES EXPENDED | 3 | 142,246 | - | 142,246 | 65,871 |
| Net income/(expenditure) | | (60,334) | - | - | 43,814 |
| Funds brought forward | | 31,962 | 433,876 | 465,839 | 422,025 |
| Net movement in funds and funds balance carried forward as at 31 March 2021 | | (28,372) | 433,876 | 405,504 | 465,839 |

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION
BALANCE SHEET
AS AT 31 MARCH 2021

| | Notes | 2021 Total £ | 2020 Total £ |
|--|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Building at cost | | 286,946 | 286,946 |
| Accumulated depreciation | | (50,813) | (47,435) |
| TOTAL FIXED ASSETS | 5 | 236,133 | 239,511 |
| CURRENT ASSETS | | | |
| Debtors and accrued income | | - | - |
| Cash at bank and in hand | | 169,393 | 227,927 |
| | | 169,393 | 227,927 |
| CREDITORS: amount falling due within one year | 6 | 22 | 1,600 |
| Net Current assets/(Liabilities) | | 169,371 | 226,327 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 405,504 | 465,838 |
| FINANCED BY: | | | |
| Unrestricted funds | | (28,372) | 31,962 |
| Restricted Funds | | 433,876 | 433,876 |
| TOTAL FUNDS | 7 | 405,504 | 465,839 |

For the year ending 31 March 2021, the Charity was entitled to exemption from audit under section 477(2) of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibility for complying with the requirement of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The Accounts was approved by the Board of Trustees and signed on behalf of the Board by:

Mr. Liquat Khan

Trustee

08/12/2021

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" (2005), the Charity Act 1993 and applicable UK accounting standards.

Cash flow statement

Under FRS 1 the Charity is exempt from the requirement to prepare a cash flow statement on the grounds that the charity is below the threshold specified in Appendix 2 of the FRS1.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

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 costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in Note 2.

Investment income and gains are allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The grant income where related to performance and specific deliverables are accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income being received, the income is accrued.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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. Premises overheads have been allocated on a floor basis and other overheads have been allocated on the basis of the head count.

Community project costs are those costs incurred directly in support of the objects of the Charity. The community project cost includes other support costs incurred in support of the objects of the Charity. Governance costs are those incurred in connection with governance arrangement of the Charity, which relate to the general running of the Charity and compliance with constitutional and statutory requirements. The basis of allocation for support costs and governance costs has been explained in Note 3.

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 March 2021

Note 2. TOTAL INCOMING RESOURCES

| | 2021 | 2020 |
|---------------------------------------|---------------|----------------|
| Voluntary Income | £ | £ |
| Un-restricted: | | |
| Other income | 81,912 | - |
| Restricted: | | |
| Standing Order and Direct Collections | | 109,685 |
| | 81,912 | 109,685 |

Note 3. TOTAL RESOURCES EXPENDED

| | Direct Costs | Support Costs | 2021 Total | 2020 Total |
|--------------------------|----------------|---------------|------------|---------------|
| | £ | £ | £ | £ |
| Cost of generating funds | 142,246 | | | 65,871 |
| Charitable Costs | | | | |
| | 142,246 | | | 65,871 |

The trust allocates all costs as shown in the table above. Costs are allocated between direct costs and support costs based on the actual expenditure and nature of transactions.

Note 4. TRUSTEES REMUNERATION

The Trustees did not receive any emoluments and no out of pocket expenses were paid during the year (2019: £nil)

Note 5. FIXED ASSETS

| | Freehold Land | Building | Roof | Equipment | 2021 | 2020 |
|--------------------------------|----------------|---------------|---------------|---------------|----------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | 150,000 | 70,000 | 15,000 | 51,946 | 286,946 | 286,946 |
| Total Costs | 150,000 | 70,000 | 15,000 | 51,946 | 286,946 | 286,946 |
| Basis | Rate | 0% | 1% | 4% | 4% | |
| Balance brought forward | - | 9,656 | 10,022 | 27,757 | 47,435 | 44,057 |
| Charge for the year | - | 700 | 600 | 2,078 | 3,378 | 3,378 |
| Balance carried forward | - | 10,356 | 10,622 | 29,835 | 50,813 | 47,435 |

The Charity continues to use component accounting in accordance with provision of FRS15 and Accounting and Reporting by Charities: Statement of Recommended Practice on tangible assets

Note 6. CREDITORS: amount falling due within one year

| | 2021 | 2020 |
|------------------------------------|-----------|--------------|
| This is made up as follows: | £ | £ |
| Rates | | 1,600 |
| Water supply - last quarter | 22 | - |
| | 22 | 1,600 |

Note 7. Total Funds

| | 2021 | 2020 |
|---------------------------------------|-----------------|----------------|
| | £ | £ |
| Reserve brought Forward | 465,839 | 422,025 |
| Surplus/(Deficit) for the year | (60,334) | 43,814 |
| | 405,504 | 465,839 |

THE HERTS & ESSEX MUSLIM CULTURAL ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 March 2021

Note 8. TAXATION

The Herts & Essex Muslim Cultural Association is a registered charity and is thus exempt from taxation of its income and gains falling within Section 505 of the Income and Corporation Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.