

**MUSLIM KHATRI ASSOCIATION
(UK)**

**ANNUAL REPORT AND
ACCOUNTS**

FOR YEAR ENDED 31 MARCH 2021

MUSLIM KHATRI ASSOCIATION (UK)

ANNUAL REPORT AND ACCOUNTS

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MUSLIM KHATRI ASSOCIATION (UK)

CHARITY INFORMATION

CHARITY TRUSTEES	Razak Ghumran Mumtaz Suleman Rafi Ahmed Jussab Raeesa Khatri Shahina Amin Shakil Amin Arif Cassam Nasim Karatela Naim Khamisa Shabnam Khatri Shaffique Sidik Razak Suleman	Chair Vice Chair Treasurer Secretary Committee Member Committee Member Committee Member Committee Member Committee Member Committee Member Committee Member Committee Member
HOLDING TRUSTEES	Abdullah Osman Ashra Gafar Khatri Yahya Thadha Yusuf Ghumra Zainulabedin Patel	
REGISTERED OFFICE	Evington Road Leicester LE2 1QJ	
REGISTERED CHARITY NUMBER	299596	
INLAND REVENUE (CHARITIES) NUMBER	XR 53238	
INDEPENDENT EXAMINER	Ian S McParlane 55a London Road Leicester LE2 0PE	
BANKERS	Barclays PLC Highfields Branch P.O. Box 54 Town Hall Square Leicester LE1 9AA	
SOLICITORS	Bond Adams LLP 94 London Road Leicester LE2 0QS	

MUSLIM KHATRI ASSOCIATION (UK)

REPORT OF THE TRUSTEES

The Charity Trustees, who are the members Executive Committee of the Trust, submit their annual report and accounts for the year ended 31st March 2021. The Charity Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 July 2020) in preparing the annual report and accounts of the Charity.

Governing document

The Association is an unincorporated community organisation formed by adoption of the original constitution dated 4th May 1986 and is registered as a Charity with Charity Commission for England and Wales under charity number 299596.

Objects of the Association

The principal objects of Muslim Khatri Association (MKA) (UK) are:

- To relieve poverty amongst members of MKA in any part of the world;
- To relieve members of the MKA within in the UK who are in conditions of need, hardship or distress;
- To advance the Islamic religion by the establishment and maintenance of centre; and
- To advance the education of MKA members in the United Kingdom.

Our Association Mission

- To provide a warm, clean and friendly Centre which supports many community, educational and general activities.
- To improve the quality of life for local people.
- To achieve this we will work to the highest standard possible at any given time. We do work in partnership with other organisations, businesses and statutory councils to inform, advise and help others achieve a higher quality of life.

Our Association Vision

To be the most inclusive and successful Community and Voluntary organisation in Leicester and beyond.

The Centre will continue to work towards working in partnership with other organisations to provide opportunities for the community to achieve and provide activities which improve the quality of life for their members

Our Association Values

- Community Involvement is at the heart of our existence.
- We respect the community as the main decision makers.
- We take pride in making a difference.
- Accountability and Representation is our key strength.
- We are confident in delivering good value for services.

Charity Trustees

The Executive Committee (and Honorary Officers) is elected by the members at the annual general meeting to serve for a year commencing the end of that meeting.

The Charity Trustees who served during the year are shown on page1.

Holding Trustees

The Holding Trustees who served during the year are shown on page 1.

MUSLIM KHATRI ASSOCIATION (UK)

REPORT OF THE TRUSTEES

(Continued)

Governance and management

The Association is governed by an Executive Committee, which is responsible to the membership for the effective management of the Association. The Executive Committee comprises a minimum of 3 Honorary Officers and may consist up to 15 members.

Meetings are held on a regular basis.

The trustees are responsible for preparing the Trustees' Report and the Accounts 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 accounts for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 the accounts comply with the Charities Act 2011, the Charity (Accounts Reports) Regulations 2015 and trust deed. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Review of Activities

The statement of financial activities for the year is set out on page 6 of the accounts.

In accordance with government guidelines during Corona Virus Pandemic, our centre was closed during the whole of the accounting year.

Public Interest

In planning activities, the trustees kept in mind the Charity Commissioner's guidance on public benefit at the meetings.

The Building

The buildings have been well maintained during the year to meet the needs of our user.

Volunteers

On many occasions the Association involves volunteers in the delivery of its activities. We have a full range of policies and procedures operating to ensure this involvement is successful and beneficial to all parties.

MUSLIM KHATRI ASSOCIATION (UK)
REPORT OF THE TRUSTEES
(Continued)

Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

Reserves

It is the policy of the Charity to maintain unrestricted funds at a level in excess of annual unrestricted management and administration expenditure. Unrestricted funds are maintained at least at this level throughout the year.

Approved by the Board of the Charity Trustees on **27 July 2021** and signed on their behalf:

Razak Ghumran
Honorary Chair

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSLIM KHATRI ASSOCIATION (UK)

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 6 to 11.

Responsibilities and basis of report

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

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records

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.

Ian S McParlane

Independent Examiner

27 July 2021

MUSLIM KHATRI ASSOCIATION (UK)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Incoming resources					
Donations		130	-	130	547
Income from activities in furtherance of charitable objects		961	-	961	14,058
Income from activities for generating funds		-	-	-	3,666
Investment income		35,000	-	35,000	35,000
Government grants		25,239	-	25,239	-
Total incoming resources		61,330	-	61,330	53,271
Resources expended					
Costs of activities in furtherance of charitable objects	2	6,522	-	6,522	26,532
Management and administration	2	1,542	-	1,542	1,423
Total resources expended		8,064	-	8,064	27,955
Net Income/(expenditure)		53,266	-	53,266	25,316

STATEMENT OF OTHER RECOGNISED GAINS

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Net Income/(expenditure)	53,266	-	53,266	25,316
Total funds brought forward	592,947	-	592,947	567,631
Total funds carried forward	646,213	-	646,213	592,947

MUSLIM KHATRI ASSOCIATION (UK)
BALANCE SHEET
AS AT 31 MARCH 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
FIXED ASSETS					
Investment property	5	540,592	-	540,592	540,592
		<u>540,592</u>	<u>-</u>	<u>540,592</u>	<u>540,592</u>
CURRENT ASSETS					
Debtors	6	1,984	-	1,984	2,174
Cash at bank and in hand		104,028	-	104,028	50,572
		<u>106,012</u>	<u>-</u>	<u>106,012</u>	<u>52,746</u>
CREDITORS					
Amounts falling due within one year	7	(391)	-	(391)	(391)
NET CURRENT ASSETS		<u>105,621</u>	<u>-</u>	<u>105,621</u>	<u>52,355</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		646,213	-	646,213	592,947
NET ASSETS		<u>646,213</u>	<u>-</u>	<u>646,213</u>	<u>592,947</u>
INCOME FUNDS					
Restricted funds		-	-	-	-
Unrestricted funds		646,213	-	646,213	592,947
		<u>646,213</u>	<u>-</u>	<u>646,213</u>	<u>592,947</u>

Approved by the Board of the Charity Trustees on **27 July 2021** and signed on their behalf:

Rafi Ahmed Jussab
Honorary Treasurer

MUSLIM KHATRI ASSOCIATION (UK)

NOTES TO THE ACCOUNTS

AS AT 31 MARCH 2021

1. Summary of significant accounting policies

General information and basis of preparation

Muslim Khatri Association is an unincorporated organisation formed by adoption of the original constitution dated 4 May 1986 and is registered as a Charity with Charity Commission for England and Wales under charity number 299596. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are:

- To relieve poverty amongst members of MKA in any part of the world;
- To relieve members of the MKA within in the UK who are in conditions of need, hardship or distress;
- To advance the Islamic religion by the establishment and maintenance of centre; and
- To advance the education of MKA members in the United Kingdom.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 July 2016);
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- the Charities Act 2011; and
- UK Generally Accepted Practice.

The charity has applied Update Bulletin 1 as published on 2 July 2020 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

MUSLIM KHATRI ASSOCIATION (UK)
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2021
(CONTINUED)

Income recognition

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

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

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Expenditure recognition

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

- Expenditure on charitable activities includes grants made and funds applied to provide direct assistance
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

MUSLIM KHATRI ASSOCIATION (UK)
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2021
(CONTINUED)

2. Analysis of resources expended

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Costs of activities in furtherance of charitable objects				
Direct expenses	6,155	-	6,155	21,769
Running costs of the Community Hall	367	-	367	4,229
Depreciation on tangible fixed assets	-	-	-	534
Independent Examiners' remuneration	*	-	*	-
	<u>6,522</u>	<u>-</u>	<u>6,522</u>	<u>26,532</u>
Management and administration				
Subscription	158	-	158	155
Telephone and internet	1,382	-	1,382	1,003
Other legal and professional	-	-	-	265
	<u>1,542</u>	<u>-</u>	<u>1,542</u>	<u>1,423</u>

3. Employees

	2021 £	2020 £
Gross wages and salaries	-	-
Employers' National Insurance	-	-
Total staff costs	<u>-</u>	<u>-</u>
	Number	Number
Average number of employees in the year	<u>-</u>	<u>-</u>
Activities in furtherance of charitable objects	-	-
	<u>-</u>	<u>-</u>

No employee received remuneration of more than £60,000.

MUSLIM KHATRI ASSOCIATION (UK)
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2021
(CONTINUED)

4. Trustees and related parties

Trustee expenses and remuneration

	2021	2020
Number of trustees who were paid expenses	None	None
Total amount paid	Nil	Nil
Trustees' Remuneration	Nil	Nil

Material interest of the trustees

No other trustee had a material interest in any contracts during the year.

5. Investment property

	2021 £
At 1 April 2020	540,592
At 31 March 2021	540,592

6. Debtors

	2021 £	2020 £
Trade Debtors	-	676
Other Debtors	1,984	1,498
	1,984	2,174

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	391	391
	391	391