

THE MUSLIM EDUCATIONAL TRUST
FINANCIAL ACCOUNTS FOR THE YEAR ENDED

5TH APRIL 2021

CHARITY REGISTRATION NUMBER 313192

THE MUSLIM EDUCATIONAL TRUST
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FOR THE YEAR ENDED 5TH APRIL 2021

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THE MUSLIM EDUCATIONAL TRUST

TRUST INFORMATION

Trustees: Dr. Zahirul Haq BSc, MBChB
Dr. Shaikh Muhammad Shahadat Husain MBBS, DA (London)
Dr. Faruq Nurul Arefin MBBS, PLAB (UK), USMLE
Dr. A.B.M. Nazem MBBS
Professor Ghulam Sarwar M. Com, FRSA
Ms Farhat Yasmeen Sarwar BSc, PGCE
Ms Sultana Nasreen Sarwar MA, PGCE

**Charity Registration
Number:** 313192

Registered Office: 130 Stroud Green Road
London
N4 3RZ

Accountants: Sabera & Co
Chartered Accountants
126 Middlesex Street
London
E1 7HY

THE MUSLIM EDUCATIONAL TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5TH APRIL 2021

The Muslim Educational Trust is a registered Charity (Registration Number: 313192). It was set up in 1966. The Trust is situated at 130 Stroud Green Road, London, N4 3RZ.

The Trustees of the Charity to the year 5th April 2021 are:

Dr Zahirul Haq, B.Sc, MBChB (appointed: November 1999)
Dr S M Shahadat Husain, MBBS, DA (London) (appointed: October 2002)
Dr Faruq Nurul Arefin, MBBS, PLAB (UK), USMLE (appointed: December 2002)
Dr A B M Nazem, MBBS (appointed: August 2005)
Prof Ghulam Sarwar, M. Com., FRSA (appointed: January 2010)
Ms Farhat Yasmeen Sarwar BSc, PGCE (appointed: 12 March 2016)
Ms Sultana Nasreen Sarwar MA, PGCE (appointed: 12 March 2016)

The objectives of the Charity as per its Deed of Declaration of Trust (last amended 31st July 2010) include the following:

- a. To contribute to the spiritual, moral, mental and physical development of the Muslim community in the UK by securing efficient education of Muslim children in the primary and secondary schools.
- b. To arrange for the religious education of Muslim children in British schools based on the teachings of the Qur'an and Sunnah.
- c. To provide within the means of the Trust education facilities and ancillary services in the UK.
- d. To manage and equip staff, and maintain educational institutions
- e. To purchase, take on lease hire or otherwise acquire and dispose of any real, personal or any other property and any rights or privileges necessary or convenient for the purposes of the Trust.
- f. To publish Islamic books, journals, magazines, teaching aids and award scholarships to Muslim students in the UK and elsewhere.

During the year, the Charity has continued to carry out the publishing and sale organisation of its books and poster publications designed to provide benefit for the Muslim community, in raising awareness and by way of provision of education through its publications. In carrying out these activities the Trustees have made due consideration of the Charity Commission's guidance on public benefit, including when exercising any powers or carrying out any duties to which the guidance is relevant.

The charity is managed by a Board of Trustees and is funded by the profit/(loss) derived from the sale proceeds of the books and educational materials published by it, rental income from renting four rooms of the freehold property where its offices are located and from the sale proceeds of its freehold property at 48, Lancaster Road, London N4 during 2008.

The Charity's total sales income from its sale of publications during the year amounted to £11,331 and after cost of sales of £5,894 and total expenditure of £26,194, a net loss of £20,757 arises.

The Charity received a total net rental income of £19,689 (calculated as gross rental income of £26,031 deducting rental expenses of £6,342).

The Charity's total income for the year was £44,777 comprising gross rent received of £26,031, interest from bank & investment deposits of £181, Coronavirus Job Retention Scheme Grant of £7,234 and gross sales from the sale of publications of £11,331.

The total expenditure of the charity for the year was £56,022 (including sales of publication expenses of £32,088 and rental income expenses of £6,342). The deficit for the year was £11,225 which was met from the unspent sale proceeds derived in 2008 from the sale of the property at 48 Lancaster Road, London N4.

THE MUSLIM EDUCATIONAL TRUST
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5TH APRIL 2021
CONTINUATION PAGE

The Trustees decided to discontinue the grants paid to the UK Islamic Association from December 2011 and also to continue the grant paid to Darul Khidmah Wal Falah, UK to be used in Bangladesh.

As at 5th April 2021, the Trust has only one part time employee and one casual self-employed Sales Assistant.

As advised by the accountant of the Charity, the trustees continued to review the amount of bank deposits held with one bank in consideration of the compensation limits set by the Financial Services Compensation Scheme (FSCS).

The Chairman of the Board of Trustees, Professor Ghulam Sarwar has been running the Trust on a voluntary basis since 4th January 2010.

Reserves Policy

As detailed above the Trust receives income through the sale of its publications and through rental income of its property. The operational costs of the charity are met through this income. It has been noted that over the past years the Trust has been arriving at a net deficit position for the accounting year.

The Trustees believe that the level of reserves held should be able to allow the Trust to meet its charitable objectives and also to meet any net deficit position arising and also for any unforeseen risks and contingencies.

At the Year Ended 5th April 2021 the total unrestricted reserves held amounted to £326,662. This level of reserves has been built up from the sale proceeds derived in 2008 from the property situated at 48 Lancaster Road, London, N4. The Trustees undertake to maintain this level of reserves which has been decreasing each year in order to meet yearly operating activities and expenses. The Trustees confirm that utilising these sale proceeds against operating costs of the charity is permitted in their governing documents.

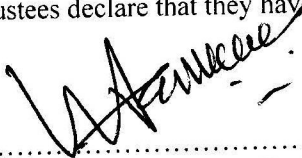
The level of reserves required and the reserves policy will be reviewed on an annual basis by the Trustees. The Trust is considering ways to increase its sales income from the sale of publications of its books and journals. The amount held in reserves is monitored regularly by the Trustees during each financial year.

Coronavirus

During the year under review, the Charity's work was impacted by the Covid 19 pandemic apart from the global slowdown of the Islamic publications market. However, the trustees are conscious of their responsibilities and have been doing their best to keep the charity running, meeting the educational needs of the Muslim community despite sustaining losses over the years. Please also refer to Note 1 of the Accounts with regard to the Trustees assessment of going concern.

There is nothing more to report for the year ended 5th April 2021.

The trustees declare that they have approved the Trustees' Annual Report above.


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Professor Ghulam Sarwar (Chairman, Board of Trustees)
For and on behalf of the Trustees of The Muslim Educational Trust

Dated: 2nd December 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE MUSLIM EDUCATIONAL TRUST (CHARITY NUMBER: 313192)
ON THE ACCOUNTS FOR THE YEAR ENDED 5TH APRIL 2021

I report to the charity Trustees on my examination of the accounts of The Muslim Educational Trust (the Trust) for the year ended 5th April 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 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under Section 145 (5) (b) of the 2011 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 confirm there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Sabera Patel.

Sabera Patel FCA, ATT (Fellow)
Sabera & Co. Chartered Accountants
126 Middlesex Street, London, E1 7HY

Dated: 2nd December 2021

THE MUSLIM EDUCATIONAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR TO 5TH APRIL 2021

Income & Expenditure		Restricted Fund	Unrestricted Fund	Total	Unrestricted Fund
	Notes	2021	2021	2021	2020
		£	£	£	£
INCOME:					
Income from Donations & Grants					
Coronavirus Job Retention Scheme Grant	1	7,234	0	7,234	0
Income from Assets					
Gross Rental Income Received	3	0	26,031	26,031	28,134
Interest Receivable from Short Term & Bank Deposits	4	0	181		835
Less: Donations to Charity			(0)	181	(0)
		7,234	26,212	33,446	28,969
Income from Charitable Activities					
Gross Sales from Sale of Publications	1	0	11,331	11,331	15,916
Total Income for the Year	13	7,234	37,543	44,777	44,885
EXPENDITURE					
Rental Income Expenses					
Managing Agent Commission		0	2,773	2,773	2,813
Council Tax		0	1,705	1,705	1,640
Other Letting Expenses		0	1,864	1,864	1,537
	3	0	6,342	6,342	5,990
Sale of Publications Expenses (Charitable Expenditure)					
Cost of Sales		0	5,894	5,894	9,766
Sales Staff Salaries		5,787	3,951	9,738	9,741
Other Direct Expenses		0	16,456	16,456	16,688
		5,787	26,301	32,088	36,195
Direct Charitable Expenditure					
Staff Salaries	6	1,447	988	2,435	2,455
Travel Expenses		0	535	535	535
Educational Grants Paid	7	0	4,800	4,800	4,800
Subscriptions & Periodicals	9	0	182	182	182
		1,447	6,505	7,952	7,972
Indirect Charitable Expenditure					
Rates and Water		0	1,592	1,592	1,565
Light & Heat		0	1,558	1,558	1,363
Insurance		0	433	433	565
Telephone, Fax & Internet		0	933	933	586
Printing, Postage & Stationery		0	870	870	473
Repairs & Maintenance		0	200	200	710
Accountancy Fee	5	0	975	975	975
Other Professional		0	400	400	0
Computer Software & IT		0	100	100	50
Bank Charges		0	90	90	90
Travel Expenses		0	42	42	5
General Expenses		0	704	704	617
Loss on Disposal		0	1,077	1,077	0
Depreciation		0	646	646	887
		0	9,620	9,620	7,886
Total Expenditure	13	7,234	48,768	56,002	58,043
Net Income/(Expenditure) for the Year		0	(11,225)	(11,225)	(13,158)
Accumulated Fund brought forward at 6.4.2020		0	337,887	337,887	351,045
Accumulated Fund carried forward at 5.4.2021	13	0	326,662	326,662	337,887

THE MUSLIM EDUCATIONAL TRUST
SALE OF PUBLICATIONS ACCOUNT
FOR THE YEAR ENDED 5TH APRIL 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		£	£
Total Sales for the year (As per Statement of Financial Activities)		11,331	15,916
<u>Less: Cost Of Sales</u>			
Opening Stock at cost		25,114	21,880
Printing Costs during the year		0	13,000
		<u>25,114</u>	<u>34,880</u>
<u>Deduct:</u>			
Closing Stock at Cost	1	<u>(19,220)</u>	<u>(25,114)</u>
Cost of Sales: Per Statement of Financial Activities:		<u>5,894</u>	<u>9,766</u>
<u>Gross Profit</u>		<u>5,437</u>	<u>6,150</u>
<u>Less Expenses:</u>			
Sales Staff Salaries & Subcontractor	6	15,817	16,865
Travelling Expenses		2,159	2,284
Royalties Payable	8	1,133	1,591
Freight & Delivery		2,097	2,009
Software Costs		431	335
Postage		33	17
Stationery & Photocopying		862	469
Light & Heat		1,558	1,363
Telephone, Fax & Internet		1,400	879
General Expenses		704	617
		<u>26,194</u>	<u>26,429</u>
Total Expenses: Per Statement of Financial Activities		<u>26,194</u>	<u>26,429</u>
<u>Net Profit/(Loss) for the Year</u>		<u>(20,757)</u>	<u>(20,279)</u>
<u>on Sales of Publications</u>		<u><u>(20,757)</u></u>	<u><u>(20,279)</u></u>

THE MUSLIM EDUCATIONAL TRUST
BALANCE SHEET AS AT 5TH APRIL 2021

	<u>Notes</u>	<u>2021</u>		<u>2020</u>	
		£	£	£	£
<u>Fixed Assets</u>					
<u>Tangible Assets</u>					
<u>Freehold Premises:</u>					
130 Stroud Green Road, London N4 at cost			24,132		24,132
Improvements - Balance brought forward at 6.4.2020		49,667		49,667	
Improvement additions during the year		0		0	
			49,667		49,667
			73,799		73,799
<u>Fixtures, Fittings, Furniture & Equipment</u>					
Balance brought forward at 6.4.2020		62,309		62,258	
Additions during the year		430		51	
Cost of Disposals during the year		(1,659)		0	
		61,080		62,309	
Less: Depreciation	2	57,422		57,278	
			3,658		5,031
<u>Library Books</u>					
Balance brought forward at 6.4.2020		7,932		7,932	
Additions		0	7,932	0	7,932
	2		85,389		86,762
<u>Current Assets</u>					
Stock of Publications at cost	1	19,220		25,114	
Debtors and Prepayments	10	2,215		5,007	
Investments	11	129,100		146,000	
Cash at Bank		93,583		78,768	
Cash in Hand		468		597	
		244,586		255,486	
<u>Less: Current Liabilities (Due within one year)</u>					
Sundry Creditors and Accruals	12	(3,313)		(4,361)	
<u>Net Current Assets</u>			241,273		251,125
<u>Total Net Assets</u>			<u>326,662</u>		<u>337,887</u>
<u>Represented By:</u>					
<u>Unrestricted Accumulated Fund</u>	13		<u>326,662</u>		<u>337,887</u>

.....
Professor Ghulam Sarwar

For and on behalf of the Board of Trustees
Dated: 2nd December 2021

THE MUSLIM EDUCATIONAL TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

1) ACCOUNTING POLICIES

General

These Accounts have been prepared under the historical cost convention and 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), FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland) and the Charities Act 2011.

Depreciation Policy

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the annual rate in order to write off each asset over its estimated useful economic life.

The depreciation rate for Fixtures, Fittings & Office Equipment held for use by the charity is 15% on the reducing balance basis.

Freehold Premises with a long useful economic life is not depreciated.

Profit/(Loss) from the Sale of Publications

The gross income generated from the sale of the Trust's book publications and related expenditure is shown separately under the Statement of Financial Activities. Please refer to the Sale of Publications Account which computes the net income/(loss) derived from this activity.

Under the Sale of Publications Account, total sales income is shown on a receivable basis, representing the invoiced value of Trust publications during the year.

Stock is valued at the lower of cost and net realisable value.

Income from Assets

Interest from Short Term & Bank Deposits is recognised when receivable.

Rental Income is recognised on a received basis.

Trade Debtors

Trade debtors are amounts due to the Trust from customers for the sale of books and publications measured at invoiced amounts after any discounts.

Creditors

Creditors are measured at settlement amount after any discounts.

Public Benefit Entity Statement

The Trust is a public benefit entity. Please refer to the Trustees' Annual Report for comments made in respect of adherence to the Charity Commission's guidance on public benefit.

Going Concern

These financial accounts have been prepared on a going concern basis, based on the assessment made by the Trustees. The Trustees have explained that the Trust has been meeting a significant educational need of the Muslim community. The Trustees believe that the Trust will sustain for nearly another fifteen to twenty years based on the present financial situation. The Trustees have mentioned that some of the present Trustees are young professionals who are aiming to steer the Trust and keep it running for meeting the educational needs of the Muslim community for which the charity was set up. The Trustees have commented that they are ensuring that income is continued to be derived from the sale of its books and publications and from rental income and that they are trying to keep expenses to the minimum.

The Trustees have also mentioned that during the year under review, the charity's work was impacted by the Covid 19 pandemic apart from the global slowdown of the islamic publications market. The Trustees have commented they are conscious of their responsibilities and have been doing their best to steer the charity as a going concern despite sustaining losses over the years.

THE MUSLIM EDUCATIONAL TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

1) ACCOUNTING POLICIES (CONTINUED)

Taxation

As the Trust is a registered charity, it is exempt from taxation on its income derived from charitable activities.

Defined contribution pension scheme

The Trust pays into a defined contribution occupational pension scheme for its employee. Contributions are expensed as they become payable.

Government Grants

During the year the Trust received the Coronavirus Job Retention Scheme Grant for its employee when furloughed. This Grant has been recognised based on evidence of entitlement, probable receipt and reliable measurement of the amount of Grant. As the employee salary is apportioned 80% to Sale of Publications Account and 20% to Direct Charitable expenses, the Grant has been reflected in the accounts in accordance therewith.

2) FIXED ASSETS FOR USE BY THE CHARITY

	<u>Fixtures, Fittings</u>			
	<u>Freehold</u>	<u>& Office</u>	<u>Library</u>	
	<u>Premises</u>	<u>Equipment</u>	<u>Books</u>	<u>Total</u>
	£	£	£	£
<u>Cost:</u>				
At 6th April 2020	24,132	62,309	7,932	94,373
Improvements bfwd at 6th April 2020	49,667	-	-	49,667
Additions during the year	0	430	0	430
Cost of Disposals	0	(1,659)	0	(1,659)
At 5th April 2021	73,799	61,080	7,932	142,811
<u>Depreciation</u>				
At 6th April 2020	0	57,278	0	57,278
Charge for the year	0	646	0	646
Depreciation of Disposals	0	(502)	0	(502)
At 5th April 2021	0	57,422	0	57,422
Net Book Value at 5th April 2021	73,799	3,658	7,932	85,389
Net Book Value at 5th April 2020	73,799	5,031	7,932	86,762
	2021		2020	
	£		£	

3) RENTAL INCOME RECEIVED

Re: 130 Stroud Green Road, London N4.

Gross Rental Income	26,031	28,134
Less: Rental Income Expenses	(6,342)	(5,990)
Net Rental Income	19,689	22,144

4) INTEREST RECEIVED

Money Market Deposits	60	323
Deposit Accounts	39	254
Bank Accounts	82	258
	181	835

THE MUSLIM EDUCATIONAL TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

	<u>2021</u>	<u>2020</u>
	£	£
5) ACCOUNTANCY FEE		
Independent Examination	<u>975</u>	<u>975</u>
6) STAFF REMUNERATION & SUBCONTRACTOR		
Staff Salaries (Direct Charitable Expenditure)	2,435	2,455
Sales Staff Salaries & Subcontractor (Sale of Publications)	<u>15,817</u>	<u>16,865</u>
	<u>18,252</u>	<u>19,320</u>
Analysed as follows:		
Salaries	12,000	12,000
Subcontractor	6,079	7,144
Employer contributions to defined contribution pension scheme	<u>173</u>	<u>176</u>
	<u>18,252</u>	<u>19,320</u>
Average number of paid staff during the year	1	1

During the year there had been £nil Administrative salaries as this work had been carried out by one of the trustees on a voluntary basis.

There are no employees who received remuneration of more than £60,000 during the year.

Related Party:

The Trust employs Dr M. K. Hasan who was paid a salary of £12,000, travel allowance of £2,674 and employer contributions into occupational pension scheme of £173. Dr M. K. Hasan is the spouse of the Trustee Ms Sultana Nasreen Sarwar.

7) EDUCATIONAL GRANTS PAID

Darul Khidmah Wal Falah, UK	<u>4,800</u>	<u>4,800</u>
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Related Parties:

The following Trustees are also Trustees of Darul Khidmah Wal Falah, UK:

- 1) Professor Ghulam Sarwar
- 2) Dr Faruq Nurul Arefin
- 3) Dr Zahirul Haq
- 4) Ms Sultana Nasreen Sarwar

THE MUSLIM EDUCATIONAL TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2021

	<u>2021</u>	<u>2020</u>
	£	£
8) ROYALTIES PAYABLE TO TRUSTEE		
Royalties Payable	<u>1,133</u>	<u>1,591</u>

The royalty is payable to the trustee Professor Ghulam Sarwar as Author of the books published by the Trust. Payment of royalties to the trustee (calculated at 10% of gross sales of Trust publications during the year) had been agreed and approved by the other trustees, who acknowledged that the trustee has been the sole Author of the publications unique to the Trust. In carrying out this activity, it was agreed that the trustee had acted over and above normal trustee duties. This point was examined with reference to the Charity Commission guidelines and it is concluded that it is in accordance therewith.

There were no other Trustees' remuneration or other benefits paid to the Trustees by the Trust.

9) TRUSTEE EXPENSES (SUBSCRIPTIONS & PERIODICALS)

During the year one of the Trustees incurred membership subscription expense as follows which was paid for by the Trust:

Membership Subscription to The Royal Society for the encouragement of Arts, Manufactures & Commerce	<u>182</u>	<u>182</u>
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10) DEBTORS AND PREPAYMENTS

Debtors (re Invoiced Trust Publications)	1,023	4,865
Sundry Debtors	900	0
Prepayments	<u>292</u>	<u>142</u>
	<u>2,215</u>	<u>5,007</u>

11) INVESTMENTS HELD

Money Market Deposits	78,357	78,296
Base Rate Deposit	<u>50,743</u>	<u>67,704</u>
	<u>129,100</u>	<u>146,000</u>

12) SUNDRY CREDITORS AND ACCRUALS

Sundry Creditors	117	1,269
Accrued expenses	<u>3,196</u>	<u>3,092</u>
	<u>3,313</u>	<u>4,361</u>

13) MOVEMENT IN FUND

	<u>Balance</u>			<u>Balance</u>
	<u>At 6/4/2020</u>	<u>Income</u>	<u>Expenditure</u>	<u>At 5/4/2021</u>
	£	£	£	£
Restricted Fund	0	7,234	(7,234)	0
Unrestricted Fund	337,887	37,543	(48,768)	326,662
Total Funds	<u>337,887</u>	<u>44,777</u>	<u>(56,002)</u>	<u>326,662</u>