

THE MUSLIM EDUCATIONAL TRUST
FINANCIAL ACCOUNTS FOR THE YEAR ENDED

5TH APRIL 2022

CHARITY REGISTRATION NUMBER 313192

THE MUSLIM EDUCATIONAL TRUST
INDEX TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

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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 2022

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 2022 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 £22,997 and after cost of sales of £15,597 and total expenditure of £30,570, a net loss of £23,170 arises.

The Charity received a total net rental income of £18,971 (calculated as gross rental income of £26,661 deducting rental expenses of £7,690).

The Charity's total income for the year was £50,475 comprising gross rent received of £26,661, interest from bank & investment deposits of £17, Coronavirus Job Retention Scheme Grant of £800 and gross sales from the sale of publications of £22,997.

The total expenditure of the charity for the year was £70,350 (including sales of publication expenses of £46,167 and rental income expenses of £7,690). The deficit for the year was £19,875 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 2022

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 2022, 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 2022 the total unrestricted reserves held amounted to £306,787. 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.

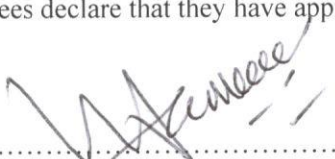
The level of reserves required and the reserves policy will be reviewed on an annual basis by the Trustees. The Trust is considering ways to increase its sales income from the sale of publications of its books and journals. The amount held in reserves is monitored regularly by the Trustees during each 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 2022.

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: 26th January 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE MUSLIM EDUCATIONAL TRUST (CHARITY NUMBER: 313192)
ON THE ACCOUNTS FOR THE YEAR ENDED 5TH APRIL 2022

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 2022.

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: 26th January 2023

THE MUSLIM EDUCATIONAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR TO 5TH APRIL 2022

Income & Expenditure		Restricted Fund	Unrestricted Fund	Total	Restricted Fund	Unrestricted Fund	Total
	Notes	2022	2022	2022	2021	2021	2021
					£	£	£
INCOME:							
Income from Donations & Grants							
Coronavirus Job Retention Scheme Grant	1	800	0	800	7,234	0	7,234
Income from Assets							
Gross Rental Income Received	3	0	26,661	26,661	0	26,031	26,031
Interest Receivable from Short Term & Bank Deposits	4	0	17	17	0	181	181
Less: Donations to Charity			(0)	17		(0)	181
		800	26,678	27,478	7,234	26,212	33,446
Income from Charitable Activities							
Gross Sales from Sale of Publications	1	0	22,997	22,997	0	11,331	11,331
Total Income for the Year	13	800	49,675	50,475	7,234	37,543	44,777
EXPENDITURE							
Rental Income Expenses							
Managing Agent Commission		0	3,210	3,210	0	2,773	2,773
Council Tax		0	1,805	1,805	0	1,705	1,705
Other Letting Expenses		0	2,675	2,675	0	1,864	1,864
	3	0	7,690	7,690	0	6,342	6,342
Sale of Publications Expenses (Charitable Expenditure)							
Cost of Sales		0	15,597	15,597	0	5,894	5,894
Sales Staff Salaries		640	9,098	9,738	5,787	3,951	9,738
Other Direct Expenses		0	20,832	20,832	0	16,456	16,456
		640	45,527	46,167	5,787	26,301	32,088
Direct Charitable Expenditure							
Staff Salaries	6	160	2,275	2,435	1,447	988	2,435
Travel Expenses		0	535	535	0	535	535
Educational Grants Paid	7	0	4,800	4,800	0	4,800	4,800
Subscriptions & Periodicals	9	0	182	182	0	182	182
		160	7,792	7,952	1,447	6,505	7,952
Indirect Charitable Expenditure							
Rates and Water		0	1,634	1,634	0	1,592	1,592
Light & Heat		0	2,448	2,448	0	1,558	1,558
Insurance		0	591	591	0	433	433
Telephone, Fax & Internet		0	525	525	0	933	933
Printing, Postage & Stationery		0	532	532	0	870	870
Repairs & Maintenance		0	103	103	0	200	200
Accountancy Fee	5	0	975	975	0	975	975
Other Professional		0	0	0	0	400	400
Computer Software & IT		0	0	0	0	100	100
Bank Charges		0	105	105	0	90	90
Travel Expenses		0	178	178	0	42	42
General Expenses		0	829	829	0	704	704
Loss on Disposal		0	0	0	0	1,077	1,077
Amortisation		0	65	65	0	0	0
Depreciation		0	556	556	0	646	646
		0	8,541	8,541	0	9,620	9,620
Total Expenditure	13	800	69,550	70,350	7,234	48,768	56,002
Net Income/(Expenditure) for the Year		0	(19,875)	(19,875)	0	(11,225)	(11,225)
Accumulated Fund brought forward at 6.4.2021		0	326,662	326,662	0	337,887	337,887
Accumulated Fund carried forward at 5.4.2022	13	0	306,787	306,787	0	326,662	326,662

THE MUSLIM EDUCATIONAL TRUST
SALE OF PUBLICATIONS ACCOUNT
FOR THE YEAR ENDED 5TH APRIL 2022

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		£	£
Total Sales for the year <i>(As per Statement of Financial Activities)</i>		22,997	11,331
<u>Less: Cost Of Sales</u>			
Opening Stock at cost		19,220	25,114
Printing Costs during the year		6,542	0
		<u>25,762</u>	<u>25,114</u>
<u>Deduct:</u>			
Closing Stock at Cost	1	<u>(10,165)</u>	<u>(19,220)</u>
<i>Cost of Sales: Per Statement of Financial Activities:</i>		<u>15,597</u>	<u>5,894</u>
<u>Gross Profit</u>		7,400	5,437
<u>Less Expenses:</u>			
Sales Staff Salaries & Subcontractor	6	18,148	15,817
Travelling Expenses		2,408	2,159
Royalties Payable	8	2,300	1,133
Freight & Delivery		2,699	2,097
Software Costs		388	431
Postage		42	33
Stationery & Photocopying		521	862
Light & Heat		2,448	1,558
Telephone, Fax & Internet		787	1,400
General Expenses		829	704
		<u>30,570</u>	<u>26,194</u>
<i>Total Expenses: Per Statement of Financial Activities</i>		<u>30,570</u>	<u>26,194</u>
<u>Net Profit/(Loss) for the Year</u>		<u>(23,170)</u>	<u>(20,757)</u>
<u>on Sales of Publications</u>		<u>(23,170)</u>	<u>(20,757)</u>

THE MUSLIM EDUCATIONAL TRUST
BALANCE SHEET AS AT 5TH APRIL 2022

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		£	£
<u>Fixed Assets</u>			
<u>Tangible & Intangible Assets</u>			
<u>Freehold Premises:</u>			
130 Stroud Green Road, London N4 at cost		24,132	24,132
<u>Improvements</u> - Balance brought forward at 6.4.2021		49,667	49,667
<u>Improvement</u> additions during the year		<u>0</u>	<u>0</u>
		49,667	49,667
		<u>73,799</u>	<u>73,799</u>
<u>Intangible Fixed Asset</u>			
Website at Cost		649	0
Less: Amortisation		<u>(65)</u>	<u>0</u>
		584	0
<u>Fixtures, Fittings, Furniture & Equipment</u>			
Balance brought forward at 6.4.2021		61,080	62,309
Additions during the year		47	430
Cost of Disposals during the year		<u>0</u>	<u>(1,659)</u>
		61,127	61,080
Less: Depreciation	2	<u>57,978</u>	<u>57,422</u>
		3,149	3,658
<u>Library Books:</u>			
Balance brought forward at 6.4.2021		7,932	7,932
Additions		<u>0</u>	<u>0</u>
		7,932	7,932
	2	<u>85,464</u>	<u>85,389</u>
<u>Current Assets</u>			
Stock of Publications at cost	1	10,165	19,220
Debtors and Prepayments	10	8,282	2,215
Investments	11	50,748	129,100
Cash at Bank		155,615	93,583
Cash in Hand		<u>512</u>	<u>468</u>
		225,322	244,586
<u>Less: Current Liabilities (Due within one year)</u>			
Sundry Creditors and Accruals	12	<u>(3,999)</u>	<u>(3,313)</u>
		221,323	241,273
<u>Net Current Assets</u>			
		<u>306,787</u>	<u>326,662</u>
<u>Total Net Assets</u>			
<u>Represented By:</u>			
<u>Unrestricted Accumulated Fund</u>	13	<u>306,787</u>	<u>326,662</u>

.....
Professor Ghulam Sarwar

For and on behalf of the Board of Trustees
Dated: 26th January 2023

THE MUSLIM EDUCATIONAL TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

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/Amortisation 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.

Amortisation on Intangible Fixed Asset is straight line over 10 years.

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 2022

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>Intangible Fixtures, Fittings</u>				
	<u>Freehold</u>	<u>Fixed</u>	<u>& Office</u>	<u>Library</u>	
	<u>Premises</u>	<u>Asset</u>	<u>Equipment</u>	<u>Books</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost:</u>					
At 6th April 2021	24,132	0	61,080	7,932	93,144
Improvements bfwd at 6th April 2021	49,667	0	-	-	49,667
Additions during the year	0	649	47	0	696
Cost of Disposals	0	0	0	0	0
At 5th April 2022	73,799	649	61,127	7,932	143,507
<u>Depreciation/Amortisation</u>					
At 6th April 2021	0	0	57,422	0	57,422
Charge for the year	0	65	556	0	621
Depreciation of Disposals	0	0	0	0	0
At 5th April 2022	0	65	57,978	0	58,043
Net Book Value at 5th April 2022	73,799	584	3,149	7,932	85,464
Net Book Value at 5th April 2021	73,799	0	3,658	7,932	85,389
			2022	2021	
			£	£	

3) RENTAL INCOME RECEIVED

Re: 130 Stroud Green Road, London N4.

Gross Rental Income	26,661	26,031
Less: Rental Income Expenses	(7,690)	(6,342)
Net Rental Income	<u>18,971</u>	<u>19,689</u>

4) INTEREST RECEIVED

Money Market Deposits	4	60
Deposit Accounts	5	39
Bank Accounts	8	82
	<u>17</u>	<u>181</u>

THE MUSLIM EDUCATIONAL TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5TH APRIL 2022

	<u>2022</u>	<u>2021</u>
	£	£
5) ACCOUNTANCY FEE		
Independent Examination	<u>975</u>	<u>975</u>
6) STAFF REMUNERATION & SUBCONTRACTOR		
Staff Salaries (Direct Charitable Expenditure)	2,435	2,435
Sales Staff Salaries & Subcontractor (Sale of Publications)	<u>18,148</u>	<u>15,817</u>
	<u>20,583</u>	<u>18,252</u>
Analysed as follows:		
Salaries	12,000	12,000
Subcontractor	8,410	6,079
Employer contributions to defined contribution pension scheme	<u>173</u>	<u>173</u>
	<u>20,583</u>	<u>18,252</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 2022

	<u>2022</u> £	<u>2021</u> £
8) ROYALTIES PAYABLE TO TRUSTEE		
Royalties Payable	<u>2,300</u>	<u>1,133</u>
<p>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.</p> <p>There were no other Trustees' remuneration or other benefits paid to the Trustees by the Trust.</p>		
9) TRUSTEE EXPENSES (SUBSCRIPTIONS & PERIODICALS)		
<p>During the year one of the Trustees incurred membership subscription expense as follows which was paid for by the Trust:</p> <p>Membership Subscription to The Royal Society for the encouragement of Arts, Manufactures & Commerce</p>	<u>182</u>	<u>182</u>
10) DEBTORS AND PREPAYMENTS		
Debtors (re Invoiced Trust Publications)	7,483	1,023
Sundry Debtors	500	900
Prepayments	<u>299</u>	<u>292</u>
	<u>8,282</u>	<u>2,215</u>
11) INVESTMENTS HELD		
Money Market Deposits	0	78,357
Base Rate Deposit	<u>50,748</u>	<u>50,743</u>
	<u>50,748</u>	<u>129,100</u>
12) SUNDRY CREDITORS AND ACCRUALS		
Sundry Creditors	256	117
Accrued expenses	<u>3,743</u>	<u>3,196</u>
	<u>3,999</u>	<u>3,313</u>
13) MOVEMENT IN FUND		
	<u>Balance</u> <u>At 6/4/2021</u>	<u>Income</u> <u>Expenditure</u> <u>Balance</u> <u>At 5/4/2022</u>
	£	£
Restricted Fund	0	800 (800) 0
Unrestricted Fund	326,662	49,675 (69,550) 306,787
Total Funds	<u>326,662</u>	<u>50,475 (70,350) 306,787</u>