

# **EAST LONDON MOSQUE TRUST**

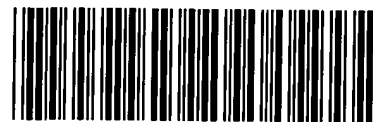
(A Company Limited by Guarantee)

Company Number: 0468317 • Charity Registration Number: 1122613

## **TRUSTEES' ANNUAL REPORT, STRATEGIC REPORT AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2018

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**ABACUS PARTNERS (LDN) LLP**

CHARTERED CERTIFIED ACCOUNTANTS & STATUTORY AUDITORS  
UNIT A, ABBOTTS WHARF, 93 STAINSBY ROAD, LONDON E14 6JL

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## **CORPORATE DETAILS**

<b>Registered Name</b>	East London Mosque Trust
<b>Working Names</b>	East London Mosque London Muslim Centre
<b>Company Number</b>	0468317
<b>Charity Number</b>	1122613
<b>Trustees (Directors)</b>	Muhammad Habibur Rahman (Chairman) Muhammad Siddique (Vice Chairman) Ayub Khan (Honorary Secretary) Mohammed Abdul Malik (Treasurer) Abdul-Hayee Murshad Mohammed Abdur Rahim Kamaly Muhammad Abdul Bari Rahela Chowdhury Shafiur Rahman Sirajul Islam Aman Ali Mahera Ruby Mazhar Baqaullah Khan Sayeda Anzumara Begum Sirajul Islam (Hira)
<b>Company Secretary</b>	Ayub Khan
<b>Chief Executive Officer</b>	Nozmul Hussain
<b>Registered Office</b>	82–92 Whitechapel Road, London, E1 1JQ
<b>Statutory Auditors</b>	Abacus Partners (Ldn) LLP, Unit A, Abbots Wharf, 93 Stainsby Road, London, E14 6JL
<b>Main Bankers</b>	HSBC, 75 Whitechapel Road, London, E1 1DU Al Rayan Bank, 97-99 Whitechapel Road, London, E1 1DT
<b>Solicitors</b>	Saunders Roberts, 1 Crown Court Yard, Bridge Street, Evesham, WR11 4RY

# **TRUSTEES' ANNUAL REPORT**

## **OBJECTS AND PUBLIC BENEFIT**

The objects of the East London Mosque Trust ('Trust'), as set out in its Articles of Association, are to:

- 1) Advance the Islamic faith for the benefit of the public by maintaining and managing a community centre and mosque in London;
- 2) Advance education and to provide facilities in the interests of social welfare for recreation and leisure-time occupation with the object of improving the conditions of life for the general public, and in particular the Muslim community;
- 3) Promote such other charitable purposes as may from time to time be determined.

In pursuance of its charitable objects, the Trust hosts a wide range of services and activities for the benefit of the public.

## **ACTIVITIES**

The Trust's prayer facilities are open to the public every day of the year for all five of the daily prayers, hosting congregations of up to 7000 people in the well-maintained spaces of the East London Mosque and adjoining London Muslim Centre and Maryam Centre. It is accessible to men, women and children, and those with disabilities.

The Trust has full-time primary and secondary schools, recently judged to be 'Good' by Ofsted. It also offers educational opportunities for children and adults in evenings and at weekends.

A wide range of services is offered for both Muslims and non-Muslims, often in partnership with others. The Trust places strong emphasis on building relationships with others so we can work together for the common good; this extends beyond the local community, such as in our response to the Grenfell Fire tragedy.

Our engagement with others draws visitors to our mosque, where our Visitor Centre allows non-Muslim visitors to see what it is like in a mosque, but also to find out more about Islam and Muslims. We now offer accredited short courses based in the Visitor Centre along these lines, which are very well subscribed. It is also increasingly popular for school visits. The Trust is able to give a true account of Islam and the beliefs of Muslims, helping us to foster understanding, and to challenge Islamophobia. All this helps us to enhance the protection of the Trust's reputation.

Our facilities are available for hire, for weddings, conferences, meetings, and more, providing both a community benefit and income to sustain our activities. Hirers must adhere to the Trust's hiring policy and, where applicable, our Event & Speakers policy, to ensure our facilities are used in accordance with our charitable status, and in a manner that doesn't harm our reputation.

The Messenger of Allah (peace and blessings be upon him) said: "Allah said, 'Spend, O son of Adam, and I shall spend on you.'" We continue to be humbled by the extraordinary generosity of our congregation and community, whose charitable giving increases year after year. In this financial year, their support for the Trust was over £1.66 million in donations and other fundraising. They again broke our previous records, raising over £362,000 for other UK registered charities who we allow to hold collections in the mosque for their good causes – 28% more than last year's record!

## **Volunteering**

The Trust has always benefited from the dedication and commitment of volunteers, from those helping with collections, to members and trustees helping to drive the organisation forward. Volunteering in the Maryam Centre is coordinated by Maryam Women's Services, and in ELM by our volunteer group, Jamiatul-ul-Muslimin. They provide stewarding for Friday prayers, Ramadan, Eid and other special occasions, and provide essential support for collections. There are about 50 active volunteers giving approximately 2 hours per week, which increases to 4 hours per day in Ramadan, as well as other special occasions. Volunteers receive training, such as in customer service. It is estimated their contribution of time saves the Trust around £146,000 per year. Their contribution is greatly appreciated by all users of the Mosque.

Further details of the Trust's services and activities are contained in the Strategic Report.

# **STRATEGIC REPORT**

## **ACHIEVEMENTS AND PERFORMANCE**

The trust measures success in a variety of ways, such as through satisfaction surveys, fundraising targets and educational success.

### **Religious Projects and Services**

#### Prayer Facilities

The mosque is open to the public every day from 10am, up to 9pm in the winter months, and later in the summer months. The total footfall for prayers in 2017 was just under 1.7 million. The average weekly footfall for prayers is over 32,000 people, rising to over 62,000 in Ramadan. The Friday Jum'ah prayer congregation averaged at 5,409 worshippers in the calendar year 2017, peaking at 6,888 on the busiest Friday. The Friday sermon is delivered in up to three languages, plus British Sign Language for deaf worshippers; it is streamed live on Facebook, and made available on the ELM website for download. People can listen to prayers and lectures given in the main prayer hall from home through dedicated digital radios, over the internet, and using smartphones.

#### Religious Teaching

Religious lectures are delivered by our Imams in the main prayer hall of the Mosque every day of the week, with more than 20 circles of religious knowledge every week within the Mosque complex for men, women and children. The promotion of authentic Islamic teachings helps prevent misunderstanding, aids the spiritual and academic growth of worshippers in a safe environment, and helps counter extremism.

#### Ramadan & Eid

Ramadan is always the busiest time of the year, with a footfall of over a quarter of a million for congregational prayers. It is a challenging time for staff and volunteers, who work long into the night for the special prayers attended each night by thousands of people. Every evening the Mosque provided free meals for the breaking of the fast for an average of 542 men and women.

The Mosque held five congregational prayers on each of the two Eid mornings, catering for over 17,000 worshippers for Eid al-Fitr, and over 14,000 for Eid al-Adha.

#### Funerals

The Mosque facilitates funeral prayers almost on a daily basis, often several at a time – over 500 in this reporting period. Coffins are brought from the basement mortuary facilities directly to the holding area in front of the

mihrab, ready for the funeral prayer, which is usually held straight after the midday prayer. The Mosque's Visitor centre accommodates non-Muslim guests who come to pay their respects.

### Open Days

The Mosque hosts occasional open weekends, allowing non-Muslims to see what a Mosque is like on the inside, observe Muslims at prayer, and find out more about Islam and the Muslim community. In this reporting period, the Mosque hosted 3 open days, as well as monthly tea and tours for the local people and passers-by.

The ELMT welcomed over 300 visitors for the national Visit My Mosque Day held on Sunday 18th Feb 2018. The initiative, led by the Muslim Council of Britain, sees over 200 Mosques and Islamic Centres across the country open their doors to the public.

Throughout the day there was a steady stream of visitors who were able to see the prayer halls, live prayers, ablution areas, etc; some came from as far as Devon! Visitors were provided with guided tours, learning more about Islam and how Muslims practise their faith, as they enjoyed tea and cakes. A short video presentation showed the rich and diverse history of the Mosque, while the Mosque's Archive Team displayed historical artefacts for guests to see. The ELM organised some of the Muslim Scouts to do activities to entertain the children, and make freshly squeezed lemonade and badges for the visitors. Sisters gave out scarves at the hijab stall and many visitors tried them on for the first time.

## **Education**

### Al Mizan School & London East Academy

Al-Mizan is a full-time primary school for boys and girls, the London East Academy (LEA) is a full-time secondary school for boys, with a single governing body and headteacher. Its governing body is a committee of the Trust.

In May 2018, an Ofsted inspection resulted in Al Mizan being graded a 'Good' school with 'Outstanding' features, significantly improved from the previously inadequate grade. Inspectors praised staff as ambitious, having high expectations, and wanting the best for their pupils. Parents and carers can see improvements and are very pleased with the school's work, according to the parent survey noted by the inspectors. Ofsted highlighted that governors and leaders work together to ensure the school meets all the independent school standards. Furthermore, SATs results for Al Mizan this year were once again significantly above the national average: 82% for mathematics, 82% for reading, 73% for spelling and grammar, and overall 68%.

The London East Academy, already graded as 'Good', continued to achieve academic success with 96% gaining 5 or more GCSEs at 4 to 9 (equivalent to previous A\* to C) in 2018 including English and Maths, and 71% at 5 to 9. The biggest subject improvement was in Arabic, with 100% gaining grades from 5 to 9.

### Supplementary education

The Trust's part-time evening school, the ELM Evening Madrasah, operates weekdays 5–7pm, with a curriculum giving essential Islamic knowledge. It has 9 classes with 157 students in total. There are 11 members of staff: 1 headteacher, 9 teachers and 1 administrator. The Madrasah has relevant child protection training, DBS checks, and staff workshops to maintain and improve teaching standards. The Madrasah is overseen by a committee of the Trust, which has initiated a review to find ways to enhance its provision.

The London Iqra Institute (a project of London Education Trust) operates from the fifth floor of the Maryam Centre, specialising in structured Islamic courses for girls aged 12 to 18, and some courses for adult women.

The Trust supports several other supplementary educational projects based in its complex: Saturday Islamic School, Al Shafie Institute, Al Qalam, Jibreel Institute, Rainbow House and Aspiring Minds. The Trust has compiled information on all these projects, and will now look to reduce duplication and raise standards further.

## Social Welfare

The Trust provides a range of welfare services directly and through supported projects.

### Religious Advice and Support

The Mosque deals with many people seeking advice and guidance on religious matters from its Imams, on issues such as marriage, inheritance, family and business matters. There was an average of 187 contacts per day (144 last year), split evenly between enquiries in person at the ELM reception and by telephone.

The Trust provides subsidised office space to Al Ihsan Marriage & Family Advice Service, which provides a marriage introduction and advice service, and organises public lectures on marriage in the Muslim community.

### Legal advice

Pro Bono in the LMC (PBLMC) is a free legal advice service, run by volunteer practising barristers, solicitors and Cilex executives, for those unable to afford or obtain legal aid. Where PBLMC is not able to assist, it signposts to other legal help providers. Areas of law include family, crime, tenancies, employment, and immigration.

In the past year PBLMC gave legal advice in 100 cases from the London Borough of Tower Hamlets. It is usually initial advice, such as to explain a legal letter, write a letter, or explain proceedings or aspects of the law. Whilst most of PBLMC's clientele are Muslims, non-Muslims also come to PBLMC for legal help. The non-Muslim clientele is estimated to be about 40% of the total number of people who sought advice.

PBLMC helped with a number of cases that needed further assistance, such as by appearance in court, and signposted users to other advisors or to LawWorks (the solicitors' pro bono group) and Bar Pro Bono Unit (the barristers' pro bono group). There was one case that PBLMC members presented in court on behalf of a client.

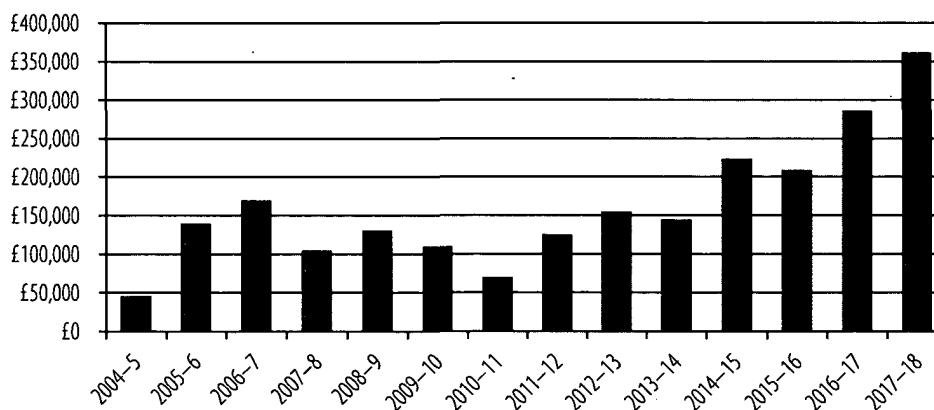
### Services for women

More than 25 female user groups covering all ages use the Trust facilities on a weekly basis. Most are based in the Maryam Centre, a leading Islamic facility for women both locally and beyond. The Maryam Centre has excellent female prayer facilities, classes and seminars for women, and a women-only gym based on the 6th floor to complement the men-only gym in the LMC basement.

### Supporting charitable causes

This was yet another record year collecting for external charities, with a total of £362,039 raised in this period – an increase of 26.4% on last year's record, and an average of over £6,962 per week! A large proportion, as always, was collected in Ramadan. The collections are for charitable causes both in the UK and overseas, and are undertaken by UK registered charities – this year there were 87.

**Collections for UK charities**



## **Community Cohesion**

### Working with other organisations for a better society for all

The ELMT continues to work with faith and non-faith organisations to remove misunderstanding and promote community cohesion. In this period, some of the organisations the Trust worked with included:

- Faiths Forum for London
- London Citizens / The East London Citizens Organisation (TELCO)
- Tower Hamlets Interfaith Forum
- The Joseph's Interfaith Foundation /National Imams and Rabbis Council
- Tower Hamlets Tension Monitoring Group
- Faith Regen UK
- Tower Hamlets Council of Mosques
- Stand Up To Racism
- Unite Against Fascism
- Tower Hamlets Police
- United East End
- London Muslim Community Forum
- Home Office

### Improving Relationships

The ELMT is working actively to forge stronger relationships and alliances with interfaith groups, civic society and wider society through engagement programmes and activities throughout the year.

The ELMT has continued working to counter rise in Islamophobia, which has included engaging with the local authority and Police to reassure the community.

The ELMT hosts occasional open weekends, allowing non-Muslims to see what a Mosque is like on the inside; observe Muslims at prayer, and find out more about Islam and the Muslim community. In this reporting period, the Mosque hosted 3 open days, as well as monthly tea and tours for the local people and passers-by. (See also

The ELMT welcomed over 300 visitors for the national Visit My Mosque Day held on Sunday 18th Feb 2018. The initiative, led by the Muslim Council of Britain, sees over 200 Mosques and Islamic Centres across the country open their doors to the public.

This has been another successful year for tours and visits, with the number of tours hosted increasing to 164. More than 4,600 visitors were welcomed and introduced to the work of the ELMT, and provided with an insight into Islam and Muslims.

## **Premises**

### Security

The Trust is constantly at potential risk from criminal damage, burglary, theft, arson, and hate crimes. In some circumstances, the lives and safety of staff, volunteers, users and visitors could be in jeopardy. Any breach of security may have an impact on the running of the ELMT. It follows that all reasonable measures should be taken to enhance security. To this end, risk assessments are conducted whenever necessary, and at least annually. Where appropriate, expert advice has been sought to determine security risks and precautions required to deal with these potential threats. The ELMT is in regular contact with the police, in particular the counter-terrorism branch, to address threats posed by far-right extremists.



Staff and volunteers are provided with sufficient resources, information and training to implement the security procedures, which are reviewed regularly. The Security Team provides 24/7 security cover for our buildings, which acts as a deterrent, and is reassuring for staff, volunteers and users. Members of the Security Team are SIA qualified; the use of the Security Team has been seen as a positive step and has greatly enhanced security.

#### Centralised reception

Further consultation is required to decide the final layout of the centralised reception, but work has already begun on refurbishing first floor areas to improve staff facilities.

#### Archive strong room

Outfitting of the new archives strong room in the Maryam Centre basement was completed, so now the archive material has been moved to its new home. It was officially opened by the Mayor of London, Sadiq Khan.

#### Repairs and maintenance

As a very busy institution with a diverse range of users, it is challenging to maintain the premises to a high standard. The Maintenance Team carried 1487 repairs in the period April 2017 to March 2018 (an increase 17% on last year's 1271); 1510 repairs were reported in the same period (up almost 16% from the 1305 last year).

### **Governance and Administration**

The trustees recruited a Chief Executive Officer, who joined in October 2017; the former Executive Director became the Director of Finance & Engagement.

A key task for the CEO was to lead a strategic review; this has involved consultation, and will include proposals for a revised staff structure. The CEO reviewed the Trust's committees and their terms of reference. Trustees appointed for the two-year term contributed to the consultation as part of an induction weekend programme.

The Trust continues to review and develop all policies and procedures, led by the Trust's Governance, Compliance and Audit Committee.

All ELMT staff have now been added to the cloud-based HR system, which is already proving invaluable for managing leave and sickness.

### **Fundraising, Income Generation and Investment Performance**

The main sources of income for the Trust are donations from users and well-wishers, especially at Friday prayers and on special occasions such as Ramadan and Eid, as well as income from assets. This period continued with the following fundraising campaigns: Friday Giving; standing order campaign; appeal on Muslim TV channels in Ramadan; 27<sup>th</sup> night of Ramadan appeal; Muslim Charity Run, sponsorships and other fundraising initiatives.

Overall, the Trust's income was slightly lower this year by £59k at £3,639k (£3,698k last year). Expenditure was almost as same as last year. The net surplus income for this year was lower at £787k (£861k last year). General donations reduced by £296k, as most appeals have been exhausted. However, the Trust managed to increase the income generated from sponsorships by £120k from our new charity partnership initiative, introduced in this reporting period. Moreover, last year the Trust received a one-off restricted donation of £128k to carry out engagement activities in Baraka Khan Visitors' Gallery, which skewed the income for the previous year.

The Trust continued to appeal for the shortfall in acquiring the Synagogue building and the construction of the Maryam Centre. The forecast for our voluntary income was that it would go down by around 20%, as donors have given for the same projects for several years. Also, there are appeals from many other Mosques in Tower Hamlets undertaking major capital rebuilds. Hence, the voluntary income generated in this reporting period decreased by 19% as forecasted. The Trust managed to maintain a similar level of fundraising in the month of Ramadan and increased income through investment and activities for generating funds.

Overall, the Trust achieved a 6.6 % increase in rental income from last year due to the increase in rental value. The income from hall hire has also increased by 10%. The halls and rooms of the London Muslim Centre and Maryam Centre are primarily used by Trust schools during the weekdays in term times, and hired by charity organisations and community groups at a discount to promote educational, social and religious activities. The Trust believes this is due to the challenge of increased competition locally from other venues, also due to enforcing stricter hiring conditions. The halls are also hired for Muslim wedding celebrations; the number of wedding hires has fallen as many people want facilities with greater capacity and better quality. We have made plans to improve the facilities and invest more in marketing to generate more income.

Unfortunately, the full time schools have continued to operate in deficit in this reporting period; the deficit has reduced by £20k (this year £123k, last year £143k) due to increase in income and savings through efficiencies. The deficit is still partly due to a decrease in student numbers. The schools have made improvements over the last year, receiving 'Good' Ofsted ratings, therefore are slowly regaining the confidence of the parents, which should result into more recruitment of students and income.

## **PLANS FOR THE FUTURE**

### Governance and Administration

1. Finalise strategic plan for the Trust
2. Revise performance management framework for staff
3. Review staffing and departmental structure and budgeting
4. Revise Trust committees

### Fundraising and Income Generation

1. Increase surplus income to £1million by year ending 31 March 2020
2. Implement new donation management system

### Projects and Services

1. Undertake review of full-time schools' sustainability and development
2. Improve provision of weekday evening education service for children
3. Review contribution of all projects and services
4. Improve the experience of visitors
5. Improve customer service standards
6. Enhance support for new Muslims
7. Further improve access and availability of advice and counselling services

### Developing Relationships / Improving Image

1. Continue to develop productive relationships in civil society and with statutory bodies
2. Promote the good work of the Trust in society
3. Provide courses and seminars that give a balanced and contextual understanding of Islam
4. Complete implementation of the Trust's media strategy
5. Improve relationships with stakeholders and users

### Assets & Premises

1. Improve maintenance and visual appearance of Trust's facilities
2. Review effectiveness of security provision
3. Complete main hall extension
4. Explore options for future development of Synagogue building
5. Complete redevelopment of administrative and reception facilities

## **FINANCIAL REVIEW**

### **Principal Funding Sources**

The Trust raised £1.25m through voluntary income donations (£1.55m in 2017), of which £32k is restricted for the Archives project. The income from investment increased to £0.95m (£0.89m in 2017) due to increased rental value.

Restricted income is either the fees or donations received for individual projects, like the London East Academy £0.56m (£0.52m in 2017), Al Mizan School £0.23m (£0.22m in 2017), ELM Evening Madrasah £78k (£72k in 2017), or specific grants received from funders to deliver projects, e.g. Archives project.

### **Staff Remuneration**

The Trust implements a pay scale for remuneration of staff. The scale was revised in April 2017 to fill gaps, remove inconsistencies and include staff from the Trust's schools. During the process of revision an average pay increase of 1.5% was implemented.

### **Investment Policy**

The foremost reason for the Trust to operate an investments policy is to grow the ELMT's assets so that the returns can be used to further its aims and activities as well as meet its cost centres. The Board of Trustees reviews the overall financial position of the ELMT through the management accounts and budgets, paying particular attention to short term and long term financial commitments.

The ELMT invests ethically, even if the investment yields a lower rate of return. Ethical investment for the ELMT means in a way that does not conflict with Islamic values, nor do they counter the ELMT's aims and ethos.

The investment level of the ELMT is determined by the Board of Trustees by making sure sufficient liquid funds are available to meet immediate liabilities. However, up to 60% reserves of the ELMT can be utilised for investment with the proviso that at least two months of operational costs can be liquidated within a three-month period.

The ELMT has invested approximately £6.6m in income generating properties within the complex and, more recently, outside of the complex. The LMC Business Wing is a part of its investment strategy, in particular the businesses and charities based there paying rent for the retail units and office spaces they occupy. The annual rental income from all investment properties was £946k this year, yielding a return of 6.6% on the current investment value of £14.3m. There was 100% occupancy in the Business Wing and investment properties; 2.7% was void in the community wing.

All other cash reserves are held in bank accounts, and any bank interest received allocated to the welfare fund, consistent with Islamic guidelines on the treatment of interest. Any profits from the deposits at the Islamic Bank are included in ELMT's main fund.

### **Reserves Policy**

The main objective of the reserves policy is to ensure that the ELMT is able to meet its short-term operational costs in an event where income drops to an unsustainable low. It is currently operating to service at least two months of liabilities, which is £0.50m. The Board of Trustees considers the reserve policy to be adequate, as the giving tradition is strong in such a faith-based organisation, with regular income received from the investments.

## **Principal Uncertainties, Risks and Management**

The ELMT continues to identify and monitor key risks in the areas of compliance, reputation, financial management, governance and operations. It has again met its target to put in place measures to mitigate at least 95% of risks. These measures, backed by regular review, ensure strong protection of the charity.

Amongst the key measures the ELMT has in place are:

- DBS checks whenever appropriate for staff, volunteers and trustees
- scrutiny of policies and procedures by the Governance, Compliance and Audit Committee
- regular monitoring by trustees of the reserves policy and the risk register
- all suitable insurance policies
- 24/7 security guards based in the ELMT premises

The ELMT has continued to work to reduce the risk of reputational damage due to negative or malicious media reports. The ELMT's booking process and policy for speakers helps to mitigate reputational risks. Oversight by the Media Committee and efforts by our Media Officer have continued to strengthen our position.

Both the ELMT's schools are now rated by Ofsted as 'Good', with behaviour in the primary school 'Outstanding'.

Security is kept continuously under review. The ELMT employs 24/7 security guards, and maintains close contacts with the local police force and other agencies such as the Tension Monitoring Group.

The ELMT benefits from interest-free loans from supporters, known as Qard Hasanah. The balance of this loan remained at about £5.5M at the end of this reporting period, as the amount coming in (£556k) was almost the same as the amount taken out (£650k). This has helped the ELMT to undertake past capital developments, and to establish investments to help sustain the ELMT, known as Waqf. The ELMT ensures it keeps sufficient cash flow to repay Qard Hasanah upon request, and can sell its investment properties should the need arise. The ELMT is continuing to develop its Waqf base, to create a solid foundation for future income.

## **Going Concern**

Trustees do not consider that the reclassification of some of the private loans (Qard Hasanah) as 'short-term' (resulting in a technical current assets deficit of £0.9m) implies an increased risk to operational continuity. In any case, the Trust has an agreement in principle for a loan of £2.5m, which would be more than enough short-term liquidity to cover the entire current asset deficit. The Trust also has 7 investment properties located outside the main own use complex, in highly sought-after areas of London, valued at approximately £4.0m, which could be sold fairly quickly should the need ever be anticipated for additional liquidity. Trustees therefore consider the Trust as a going concern for its accounts.

## **Independent Auditor**

An independent audit was carried out by Abacus Partners (Ldn) LLP, Chartered Certified Accountants & Registered Auditors. The auditor is deemed to have been re-appointed in accordance with section 487 of the companies Act 2006.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

East London Mosque Trust is a company limited by guarantee. Its Articles of Association were most recently updated in 2015. 10 Trustees are elected by the Trust's membership from amongst themselves every two years. The elected trustees may appoint up to 5 additional trustees whose expertise and commitment may benefit the Trust. Trustees are the company directors for the purpose of company law. Trustees do not receive any remuneration.

A trustee induction procedure outlines steps for vetting trustees, key documents that are considered essential, and expectations for appropriate training. The Board of Trustees typically meets every six weeks; in this reporting period they met 8 times. It has established three principal committees for effective governance:

- Performance Management Committee
- Governance, Compliance & Audit Committee
- Schools' Governing Body

The Trust considers the Performance Management Committee (currently consisting of the Trust's Chairman, Honorary Secretary, Treasurer, two more trustees and the two most senior members of staff) to be the key management personnel. The delegation of decisions to committees is outlined in terms of references, and to staff in job descriptions. The Board of Trustees retains ultimate oversight of financial controls, the management of risks, significant developments, and in ensuring the Trust operates in accordance with its Articles of Association, charity law and other legal requirements, and best practice.

The Trust does not have any active subsidiaries. It cooperates with other charities and organisations where this will help deliver its objects to its beneficiaries, with due regard to any conflicts of interest.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of East London Mosque Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 not appropriate to assume that the charitable company will continue in operation.

The Board of Trustees is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and to enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director / trustee at the date of approval of this report confirms that:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' Annual Report and the Strategic Report were approved by the Board of Trustees (in their capacity as company directors) on 27 Oct 2018 and signed on its behalf by:



**Muhammad Habibur Rahman**  
Chairman



**Ayub Khan**  
Honorary Secretary

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EAST LONDON MOSQUE TRUST**

### **Opinion**

We have audited the financial statements of East London Mosque Trust for the year ended 31<sup>st</sup> March 2018, which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, and the related Notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> March 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (including the Strategic Report) for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the Strategic Report and the Trustees Annual Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Trustees Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

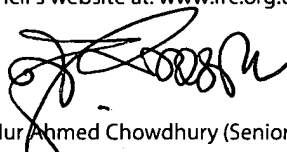
As explained more fully in the trustees' responsibilities statement, set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Mr Nur Ahmed Chowdhury (Senior Statutory Auditor)  
For and on behalf of Abacus Partners (Ldn) LLP  
Statutory Auditor  
Unit A, Abbots Wharf  
93 Stainsby Road  
London E14 6JL

Date: 17 November 2018

**EAST LONDON MOSQUE TRUST**  
**(Company Limited by Guarantee)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
<b><u>Incoming Resources</u></b>					
Voluntary Income	3	1,218,978	32,210	1,251,188	1,547,428
Activities for Generating Funds	4	410,621	-	410,621	289,615
Investment Income	5	946,496	-	946,496	887,759
Income from Charitable Activities	6	-	954,101	954,101	899,125
Others Incoming Resources	7	77,048	-	77,048	74,421
<b>Total Incoming Resources</b>		<b>2,653,143</b>	<b>986,311</b>	<b>3,639,454</b>	<b>3,698,348</b>
<b><u>Resources Expended</u></b>					
Cost of Generating Voluntary Income	8	57,962	-	57,962	53,246
Fundraising Costs	9	120,289	-	120,289	123,484
Investment Costs	10	221,052	-	221,052	287,275
Charitable Activities Costs	11	701,841	1,077,588	1,779,429	1,749,833
Support costs	12	596,379	1,130.00	597,509	577,707
Governance costs	12	76,352	-	76,352	46,157
<b>Total Resources Expended</b>		<b>1,773,875</b>	<b>1,078,718</b>	<b>2,852,593</b>	<b>2,837,702</b>
<b>Net Income/Deficit Before Fund Movements</b>		<b>879,268</b>	<b>(92,407)</b>	<b>786,861</b>	<b>860,646</b>
Gross Transfer Between Funds	24	(114,717)	114,717	-	-
<b>Net Movement before other recognised gains and losses</b>		<b>764,551</b>	<b>22,310</b>	<b>786,861</b>	<b>860,646</b>
Gains / (losses) on revaluation of Fixed assets	14	-	-	-	12,660,379
<b>Net Movement in Funds</b>		<b>764,551</b>	<b>22,310</b>	<b>786,861</b>	<b>13,521,025</b>
<b>Reconciliation of funds:</b>					
Total Funds Brought Forward		29,372,835	3,859,013	33,231,848	19,710,823
<b>Total Funds as at 31 March 2018</b>		<b>30,137,386</b>	<b>3,881,323</b>	<b>34,018,709</b>	<b>33,231,848</b>

All the activities of the company are from continuing operations.

The notes on pages 19 to 27 form part of these financial statements.



# EAST LONDON MOSQUE TRUST

(Company Limited by Guarantee)

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Note	£	Total 2018 £	£	Restated Total 2017 £
<b>Fixed Assets:</b>					
Freehold Land and Buildings	14		12,899,215		12,899,215
Leasehold Land and Buildings	14		10,456,034		10,456,034
Investment Properties	14		14,335,003		14,335,003
Fixture, fittings and equipment	14		381,436		390,900
Investment in Subsidiary	14a		101		100
			<u>38,071,789</u>		<u>38,081,252</u>
<b>Current Assets:</b>					
Stock		3,333		4,176	
Debtors & prepayments	15	756,613		663,829	
Investment Properties	16	1,452,300		1,452,300	
Cash at bank & in hand		<u>1,597,162</u>		<u>1,058,911</u>	
		3,809,408		3,179,216	
<b>Current Liabilities:</b>					
Amount falling due within one year	17	<u>4,715,161</u>		<u>6,265,555</u>	
<b>Net Current Assets / (Liabilities)</b>			<u>- 905,753</u>		<u>- 3,086,339</u>
<b>Total Assets less Current Liabilities</b>			37,166,036		34,994,913
<b>Creditors:</b>					
Amount falling due after one year	18		3,147,327		1,763,065
<b>Total Net Assets</b>			<u><u>34,018,709</u></u>		<u><u>33,231,848</u></u>
<b>Funds of the Charity</b>					
Restricted Funds	24		3,881,323		3,859,013
Unrestricted Funds	25				
General Fund		2,277,359		1,714,286	
Designated Fund		<u>27,860,027</u>	<u>30,137,386</u>	<u>27,658,549</u>	<u>29,372,835</u>
<b>Total Funds as at 31 March 2018</b>			<u><u>34,018,709</u></u>		<u><u>33,231,848</u></u>

The financial statements were approved and authorised for issue by the Board on 17 November 2018.

Signed on behalf of the board of trustees



Mr Muhammad Habibur Rahman  
Trustee & Chairman



Mr Mohammed Abdul Malik  
Trustee & Treasurer

The notes on pages 19 to 27 form part of these financial statements.

**EAST LONDON MOSQUE TRUST**  
**(Company Limited by Guarantee)**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	£	2018 £	£	2017 £
<b>Cash Outflow from Operating Activities</b>					
Operating Profit		786,861		860,646	
Depreciation		67,376		69,120	
Investment Income		(2,406)		(858)	
Finance Costs		63,934		71,648	
(Gain)/Loss on fixed asset disposal		1,084		(33)	
<b>Operating Profit Before Working Capital Charges</b>		<u>916,849</u>		<u>1,000,523</u>	
(Increase)/Decrease in Debtors		(92,784)		(61,823)	
(Increase)/Decrease in Stock		843		2,531	
Increase/(Decrease) in Creditors		<u>(1,550,395)</u>		<u>64,539</u>	
<b>Cash from Operations</b>		- 725,487		1,005,770	
Finance Cost Paid		<u>(63,934)</u>		<u>(71,648)</u>	
<b>Net Cash Generated from Operations</b>		-	789,421		934,122
<b>Cash Outflow from Investment Activities</b>					
Purchase of Tangible Fixed Assets		(59,952)		(185,553)	
Investment in Subsidiary		-		(100)	
Fixed assets disposal		956		228	
Interest / Profit on investment		<u>2,406</u>		<u>858</u>	
<b>Net Cash inflow/outflow from investment Activities</b>			(56,590)		(184,567)
<b>Cash Outflow from Financing Activities</b>					
Increase/(Decrease) of Long Term Loan		(126,338)		(116,136)	
Increase/(Decrease) of Qard Hasanah (Private Loan)		<u>1,510,600</u>	1,384,262	<u>(669,978)</u>	(786,114)
<b>Net Increase/(decrease) in Cash and Cash Equivalent</b>			538,251		(36,559)
Opening Cash and Cash Equivalent			1,058,911		1,095,470
Closing Cash and Cash Equivalent			<u>1,597,162</u>		<u>1,058,911</u>
<b>Reconciliation:</b>					
Cash at bank and in hand			1,597,162		1,058,911
			<u>1,597,162</u>		<u>1,058,911</u>

The notes on pages 19 to 27 form part of these financial statements.

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2018

### 1 Accounting Policies

#### 1.1 Basis of preparation of accounts:

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with applicable Accounting standards and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006.

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 prepared in pound sterling, which is the functional currency of the charity.

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### 1.2 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, where applicable.

Restricted funds are those 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.

#### 1.3 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.

- Donations and other income recognised when received.
- Tuition Fee income is recognised when entitlement has occurred. Fee invoices are usually raised at the beginning of the academic year and any income related to future accounting periods are deferred to those periods.
- Investment income is earned through holding assets for investment purposes such as property. Rental income is recognised as the charity's right to receive payment is established. Profit on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.
- Hall and room hire income is recognised at the date of the event.
- Grants for immediate expenditure are accounted for when they become receivable.
- Grants/Donations restricted to future accounting period are deferred and recognised in those periods.
- All Other income recognised when received or become receivable and the amount can be measured reliably. It also includes other income such as gains on disposals of tangible fixed assets.

#### 1.4 Expenditure and irrecoverable VAT:

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised once there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### 1.5 Allocation of costs:

Costs are allocated between restricted and unrestricted funds according to the terms of the income. Where items expended are mixed, they are apportioned between the categories according to the income they relate to.

#### 1.6 Support costs:

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities. Where support costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2018

### 1.7 Tangible fixed assets and depreciation:

Freehold and long leasehold properties have not been depreciated as values are appreciating.

Individual fixed assets costing £250 or more are capitalised at cost, and are stated in the accounts at cost less depreciation.

Depreciation is calculated to write off the cost less their estimated residual value, over their expected useful lives on the following basis:

Computers and Equipment	20% Reducing balance.
Furniture and Fixtures	20% Reducing balance.

### 1.8 Investment properties:

Investment properties, for which fair value can be measured reliably without undue cost or effort, are measured at intervals with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

### 1.9 Investments :

Investments are recognised initially at fair value, which is normally stated at cost less provision for permanent diminution in value. Such investments are classified as current assets when regarded as available for sale. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA. Other investments are measured at cost less impairment.

### 1.10 Stock:

Goods are stated at the lower of, cost or net realisable value. The cost includes all costs of purchase, any costs of conversion and other costs incurred in bringing the goods to its present location and condition.

### 1.11 Debtors and prepayments:

Debtors are receivable within one year and/or more than one year recognised at the transaction price. Prepayments are valued at the amount prepaid net of any discounts due.

### 1.12 Creditors and accruals:

Creditors payable within one year and/or more than one year are recognised at the transaction price. Accruals are valued at the net cost, less any discounts offered.

### 1.13 Loans and borrowings:

Loans and borrowings are initially recognised at the transaction price, including transaction costs.

Private Loans: "Qard Hasanah" is a interest free loans from the charity's beneficiaries, which only have a moral obligation to repay as per agreement. Qard Hasanah is recognised when received / paid and recorded under liabilities due within one year and/or more than

### 1.14 Provisions:

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

### 1.15 Pensions:

The employees of the charity were entitled to join a pension scheme operated by Carey Group. The pension contributions by the charity are charged to the financial statements, and represent the statutory minimum percentage of pensionable earnings.

### 1.16 Taxation:

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.

### 1.17 Going concern:

The financial statements have been prepared on a going concern basis as the trustees consider no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. More details explained in Trustees' Report.

### 1.18 Significant Judgement and Estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectationsof future events that are believed to be reasonable under the circumstances.

### 1.9 Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements

for the Year Ended 31 March 2018

### 2. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

### Incoming Resources

3	Voluntary Income	Note	Unrestricted £	Restricted £	2018 £	2017 £
	General Donations		1,208,512	550	1,209,062	1,372,995
	Baraka Khan Visitor Centre			-	-	128,476
	Archiving Project			31,660	31,660	11,620
	Gift Aid		10,466		10,466	29,337
	Grants			-	-	5,000
			<u>1,218,978</u>	<u>32,210</u>	<u>1,251,188</u>	<u>1,547,428</u>
4	Activities for Generating Funds		Unrestricted £	Restricted £	2018 £	2017 £
	Hall and Room Hire		179,525		179,525	162,895
	Fundraising Activities		43,645		43,645	50,148
	Bookstall and similar sales		36,974		36,974	46,592
	Advertising and Sponsorship		150,477		150,477	29,980
			<u>410,621</u>	<u>-</u>	<u>410,621</u>	<u>289,615</u>
5	Investment Income		Unrestricted £	Restricted £	2018 £	2017 £
	Rent and Services Charges		944,090		944,090	886,901
	Profit on listed investments				-	-
	Profit on Bank Deposits		2,406		2,406	858
			<u>946,496</u>	<u>-</u>	<u>946,496</u>	<u>887,759</u>
6	Income from Charitable Activities		Unrestricted £	Restricted £	2018 £	2017 £
	<u>a) Educational Projects</u>					
	Al Mizan School			231,270	231,270	219,276
	London East Academy			557,214	557,214	523,173
	ELM Evening Madrasah			78,067	78,067	72,385
			-	<u>866,551</u>	<u>866,551</u>	<u>814,834</u>
	<u>b) Welfare Funds</u>					
	Fitr Fund			46,160	46,160	51,027
	Zakat Fund			18,569	18,569	12,713
	Sundry			22,821	22,821	20,551
			-	<u>87,550</u>	<u>87,550</u>	<u>84,291</u>
	Total		-	<u>954,101</u>	<u>954,101</u>	<u>899,125</u>
7	Other Incoming Resources		Unrestricted £	Restricted £	2018 £	2017 £
	User Groups' Contributions		16,353		16,353	13,271
	Wedding and Attestations		17,610		17,610	15,912
	Sundry		43,085	-	43,085	45,238
			<u>77,048</u>	<u>-</u>	<u>77,048</u>	<u>74,421</u>
	Total Income		<u>2,653,143</u>	<u>986,311</u>	<u>3,639,454</u>	<u>3,698,348</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2018

### Expenses Summary

8	Voluntary Cost	Note	Unrestricted £	Restricted £	2018 £	2017 £
	Printing and Publicity		33,627		33,627	24,679
	Volunteer Expenses		3,796		3,796	3,547
	Insurance	13	10,452		10,452	17,353
	Subscriptions		10,087		10,087	7,667
			57,962	-	57,962	53,246
9	Fundraising Cost		Unrestricted £	Restricted £	2018 £	2017 £
	Salaries and Employer's NIC		43,335		43,335	44,712
	Fundraising Campaign and Advertising		9,461		9,461	9,022
	Fundraising Events		49,583		49,583	36,024
	Bookstall and Similar Supplies		17,910		17,910	31,521
	DPI Expenses		-		-	2,205
			120,289	-	120,289	123,484
10	Investment Management Costs		Unrestricted £	Restricted £	2018 £	2017 £
	Salaries and Employer's NIC	13	92,379		92,379	146,108
	Premises Expenses	13	63,274		63,274	69,226
	Insurance	13	1,465		1,465	293
	Management Fees		-		-	-
	Finance Charges		63,934		63,934	71,648
			221,052	-	221,052	287,275
11	Charitable Activities		Unrestricted £	Restricted £	2018 £	2017 £
	<u>General projects</u>					
	ISAP			4,076	4,076	11,119
	Faith in Health				-	-
			-	4,076	4,076	11,119
	<u>Educational Projects</u>					
	Al Mizan School			259,935	259,935	269,211
	London East Academy			652,151	652,151	616,988
	Elm Evening Madrasah			76,431	76,431	69,975
			-	988,517	988,517	956,174
	Welfare Fund Distribution			4,526	4,526	7,912
	Fitr Fund Distribution			44,472	44,472	54,998
	Zakat Fund Distribution			9,559	9,559	9,295
			-	54,031	54,031	64,293
	Salaries and Employer's NIC	13	209,607		209,607	190,176
	Premises Expenses	13	545,244		545,244	552,671
	Archiving Expenses			14,421	14,421	671
	Baraka Khan Visitor Centre			12,017	12,017	1,054
	Bad and Doubtful debts		3,229		3,229	4,278
	Ifar and Ifkaf Expenses		11,253		11,253	14,819
	Telephone, Fax and Internet	13	3,537		3,537	3,346
	Computers and IT Expenses	13	2,614		2,614	3,148
	Postage and Stationery	13	1,059		1,059	1,652
	Contributions from projects		(74,702)		(74,702)	(61,480)
			701,841	26,438	728,279	710,335
			701,841	1,077,588	1,779,429	-1,749,833

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2018

Cont....

12	Support and Governance Costs:	Note	Unrestricted	Restricted	2018	2017
	a) Support Costs		£	£	£	£
	Salaries and Employer's NIC	13	461,897		461,897	409,101
	Insurance	13	10,452		10,452	17,353
	Telephone, Fax and Internet	13	3,538		3,538	3,346
	Computers and IT Expenses	13	2,615		2,615	3,148
	Postage and Stationery	13	1,060		1,060	1,652
	Legal and Professional Fees		12,909	1,130	14,039	34,628
	Training and Courses		1,754		1,754	2,690
	Payroll Services		3,535		3,535	3,505
	Book-Keeping and Accountancy		9,189		9,189	11,926
	Bank and Credit Card Charges		17,244		17,244	17,521
	Sundry		12,950		12,950	12,703
	Depreciation on FF and Equipment		58,152		58,152	60,134
	Loss on FA disposal		1,084		1,084	-
			<u>596,379</u>	<u>1,130</u>	<u>597,509</u>	<u>577,707</u>
	b) Governance Costs					
	Salaries and Employer's NIC	13	61,587		61,587	29,221
	Audit remuneration		8,689		8,689	7,701
	Meeting and Training		3,576		3,576	2,635
	Legal and Professional Fees		2,500		2,500	6,600
			<u>76,352</u>	<u>-</u>	<u>76,352</u>	<u>46,157</u>
			<u>672,731</u>	<u>1,130</u>	<u>673,861</u>	<u>623,864</u>
	<b>Total Expenses</b>		<u><b>1,773,875</b></u>	<u><b>1,078,718</b></u>	<u><b>2,852,593</b></u>	<u><b>2,837,702</b></u>

13	Allocation of Costs:	Total	Support Costs	Governance Costs	Voluntary Cost	Investment Mgt cost	Charitable Activities
	a) Charitable Activities:						
	Cleaning and Support Services	287,704				28,770	258,934
	Service Charges	7,351				3,675	3,676
	General Rates and Water	34,464				1,849	32,615
	Lighting and Heating	132,951				13,295	119,656
	Repairs and Maintenance	144,848				14,485	130,363
		<u>607,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,074</u>	<u>545,244</u>
	b) Support Costs:						
	Computer and IT Expenses	5,229	2,615				2,614
	Postage and Stationery	2,119	1,060				1,059
	Insurance	22,369	10,452		10,452	1,465	-
	Salaries and Employer's NIC	825,470	461,897	61,587		92,379	209,607
	Telephone, Fax and Internet	7,075	3,538				3,537
		<u>862,262</u>	<u>479,562</u>	<u>61,587</u>	<u>10,452</u>	<u>93,844</u>	<u>216,817</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2018

14 Tangible Fixed Assets:	Freehold Land & Building	Leasehold Land & Building	Investment Properties	Fixtures, Fittings & Equipment	Total
Cost	£	£	£	£	£
At 1 April 2017	12,899,215	10,456,034	14,335,003	1,197,918	38,888,170
Addition				59,952	59,952
Gains / (losses) on fair value of Fixed assets					-
Disposal				(6,591)	(6,591)
Properties Transferred (to) / from CA Investment					-
Land and Buildings transferred to FA Investment					-
	12,899,215	10,456,034	14,335,003	1,251,279	38,941,531
Depreciation:					
At 1 April 2017				807,018	807,018
Charge for the year				67,376	67,376
Eliminated by Disposal				(4,551)	4,551
				869,843	869,843
Net Book Value					
As at 31 March 2018	12,899,215	10,456,034	14,335,003	381,436	38,071,688
As at 31 March 2017	12,899,215	10,456,034	14,335,003	390,900	38,081,152

The net book value of tangible fixed assets investment comprised:

	2018	2017
<u>Investment properties:</u>	£	£
Freehold Land and buildings	6,600,237	6,600,237
Long leasehold Land and buildings	7,734,766	7,734,766
Total Investment Property	14,335,003	14,335,003

	2018	2017
<u>Fair Value reconciliation</u>	£	£
Cost of investment Properties	10,080,636	10,080,636
Gains / (losses) on revaluation of Fixed assets	4,254,367	4,254,367
	14,335,003	14,335,003

Land and buildings were subject to independent, professional valuation at August 2017. The valuation was undertaken by Colliers International Valuation UK LLP, Royal Institution of Chartered Surveyors' registered valuer on the of Rental value and tenant demand. The subject property is a mixed use property arranged in four interlinked building and the market value are as follows:

Property	Fair Value B/fwd	Fair Value @ 31.03.2018	Gain / (Loss)
	£	£	£
East London Mosque	5,200,000	5,200,000	-
London Muslim Centre Including Business Centre	15,825,000	15,825,000	-
Maryam Centre	12,650,000	12,650,000	-
	33,675,000	33,675,000	-

All other residential Properties are as follows:

	Fair Value B/fwd	Fair Value @ 31.03.2018	Gain / (Loss)
	£	£	£
Total Number of properties : 7	4,015,252	4,015,252	-

Trustees considered the requirements of FRS 102 for Fair value of investment properties and as such valued using current market, yield and locaton without engaging professional valuer.

**14a) Subsidiary Investment:** ELMT Waqf limited and London Muslim Centre Ltd are wholly owned subsidiaries of East London Mosque Trust. During the year both companies were dormant.

15 Debtors & Prepayments:	2018	2017
	£	£
Prepayments	60,118	67,612
Rent and Others	399,525	390,792
Student Fees	296,970	205,425
	756,613	663,829



# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2018

<b>16 Current Asset Investments</b>	Freehold Properties	Total
Cost or Fair value	£	£
At 01 April 2017	1,452,300	1,452,300
Additions		-
Gains / (losses) on fair value of Fixed assets		-
Properties Transferred to FA Investment		-
At 31 March 2018	<u>1,452,300</u>	<u>1,452,300</u>
Carrying amount		
At 31 March 2018	<u>1,452,300</u>	<u>1,452,300</u>
At 31 March 2017	<u>1,452,300</u>	<u>1,452,300</u>
Investments at historical cost comprise of:	<b>2018</b>	<b>2017</b>
	£	£
Land and Building As cost	1,074,343	1,074,343
Gains / (losses) on revaluation of Fixed assets	<u>377,957</u>	<u>377,957</u>
	<u>1,452,300</u>	<u>1,452,300</u>

All Current investment Property's were valued on an open market basis on 31.03.2018 by the trustees.

<b>17 Creditors: Falling due within one year</b>	<b>2018</b>	<b>Restated 2017</b>
	£	£
Other Taxes and Social Security Costs	44,736	41,043
Trade Creditors	124,093	128,483
Rent and Hall Hire Deposits	103,939	107,439
Advance Tuition Fees	401,945	339,067
Bad debt provision	17,815	-
Accruals and Deferred Income	356,115	387,937
Al Rayan (IBB) Bank Loan	119,175	110,730
Qard Hasanah - Private Loan	3,544,924	5,149,123
Pension Contributions	2,419	1,733
	<u>4,715,161</u>	<u>6,265,555</u>
<b>18 Creditors: Falling due after more than one year</b>	<b>2018</b>	<b>Restated 2017</b>
	£	£
Qard Hasanah - Private Loan	1,910,600	400,000
Bank Loans	<u>1,236,727</u>	<u>1,363,065</u>
	<u>3,147,327</u>	<u>1,763,065</u>

**18a) Private Loans:** "Qard Hasanah" are loans from the charity's beneficiaries, which are repayable according to the terms of agreement. There is no interest due or security given for these loans. Loans are restated to bring in line with agreements.

**18b) FRS 102 Private (beneficial loan) disclosure:** FRS102 requires long-term interest-free loans to be stated at its present value. Effectively this would mean loan amounts stated in the account as lower than the actual amounts payable in future. This has potential to confuse the charity's stakeholders, as such the trustees have opted not to follow FRS102 treatment for these loans.

<b>19 Analysis of Staff Costs:</b>	<b>2018</b>	<b>2017</b>
	£	£
Total Salaries	1,701,082	1,645,854
Employer's NIC	120,320	110,547
Pension Contributions	13,659	11,017
Total Employment cost	<u>1,835,061</u>	<u>1,767,418</u>
Average number of employees: Support	23	22
Average number of employees: Direct charitable	<u>109</u>	<u>119</u>
	<u>132</u>	<u>141</u>
Employees paid in excess of £60,000 during the current year and previous year	<u>1</u>	<u>None</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements

for the Year Ended 31 March 2018

### 20 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2017: £Nil)

Key management personnel (neither Company Director nor trustee) received remuneration of £128,180 during the year (2017: £83,531) including pension costs.

The trustees did not have any expenses reimbursed during the year (2017 - £nil).

### 21 Pension:

The charity's pension scheme is operated by Carey Group where both employee and Employer contributed (1%) of pensionable pay. The employer's contributions made to the scheme was £11,017 during the year (2017: £10,763), recognised as an expense under staff

22 Deferred income:	2018	2017
	£	£
At start 01.04.2017	685,842	624,206
Additions during the year	669,560	620,023
Amounts released to income	(597,342)	(558,387)
At end 31.03.2018	<u>758,060</u>	<u>685,842</u>

Income has been deferred for

**Rent and service charges:** Invoices raised 1 month prior to the Quarter Began.

**Hall Hire:** Invoiced for future event when any personal / organisation made a booking and paid the deposit for the hire.

**Advert:** Invoices raised in relation to web advert on ELM website for 2018/19.

**Student fees:** Fees invoices raised at beginning of the academic year and for new year 3 and year 7 students when they enrolled. The Academic year falls into 2 financial year and fees allocated accordingly.

**Charity Package:** Invoices raised in relation to Charity Appeal through on ELM website, premises and news letter for 2018/19.

23 Restricted Fund Movements	Opening Balance 01.04.2017 £	Incoming Resources £	Resources Expended £	Adjustment £	Closing Balance 31.03.2018 £
<b>Capital Grants</b>					
LDA Capital Grant	710,750				710,750
Sure Start Capital Grant	258,000				258,000
NRF Capital Grant	700,000				700,000
ERDF Capital Grant	750,000				750,000
	<u>2,418,750</u>	-	-	-	<u>2,418,750</u>
<b>41 Fieldgate Street</b>	821,904	550			822,454
<b>Maryam Centre</b>	159,131				159,131
<b>Educational Projects</b>					
London East Academy	-	557,214	652,151	94,937	-
Al Mizan	-	231,270	259,935	28,665	-
Evening Madrasah	31,023	78,067	76,431		32,659
	<u>31,023</u>	<u>866,551</u>	<u>988,517</u>	<u>123,602</u>	<u>32,659</u>
<b>General Projects</b>	165,753		4,076		161,677
Zakat Fitr Fund	4,659	64,729	54,031		15,357
Welfare Fund	111,197	22,821	4,526		129,492
Archiving Project	10,289	31,660	15,551		26,398
Baraka Khan Visitor Centre	127,422	-	12,017		115,405
Sundry Income	8,885	-		(8,885)	-
	<u>3,859,013</u>	<u>986,311</u>	<u>1,078,718</u>	<u>114,717</u>	<u>3,881,323</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2018

24 Movement in Funds	Unrestricted Fund £	Designated Fund £	Unrestricted Total £	Restricted Fund £	Total Fund £
As at 1 April 2017	1,714,286	27,658,549	29,372,835	3,859,013	33,231,848
Current year surplus	879,268		879,268	(92,407)	786,861
Gains / (losses) on revaluation of Fixed assets			-		-
Current year transfer	(316,195)	201,478	(114,717)	114,717	-
As at 31 March 2018	<u>2,277,359</u>	<u>27,860,027</u>	<u>30,137,386</u>	<u>3,881,323</u>	<u>34,018,709</u>

Total funds include £696,495 (2017: £596,217) debtors receivable. Approximately £27.86m (2017: £27.66m) of designated funds are tied up with Buildings construction and fixed assets additions. No free reserves available due to reclassification of Private loan to short term. Further explanation in trustees' report under Going concern.

### 25 Taxation

The entity is a registered charity and as such is entitled to certain tax exemptions i.e. corporation tax.

Rental income represents the total invoice value, excluding value added tax, where VAT charged by the charity.

### 26 Post Balance Sheet Events

There were no other significant post balance sheet events to report.

### 27 Auditors' Remuneration

	2018 £	2017 £
Auditor's Remuneration for the audit of the charity's annual accounts	<u>10,989</u>	<u>9,501</u>
Fees Payable to the charity's auditor for non-audit services	<u>10,509</u>	<u>9,021</u>

### 28 Contingent Liabilities

The Charity had no contingent liabilities as at 31 March 2018 nor at 31 March 2017.

### 29 Related Party Transactions

There were no related party transactions during the year.

### 30 Gifts in Kind and Volunteers

During the year the charity benefited from unpaid work performed by volunteers, this is stated in the Trustees' Report. In the month of Ramadan, the charity also received free bottled water from another charity, and food donations from general public and businessmen for breaking of the fast.

### 31 Financial Commitments

The Charity had no financial or other contractual commitments as at 31.03.2018.