

# **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 2021

THURSDAY



\*AAII4T0Q\*

A08

02/12/2021

#210

COMPANIES HOUSE

### **ABACUS PARTNERS (LDN) LLP**

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

## **CONTENTS**

Contents	2
Corporate Details	3
<b>Trustees' Annual Report</b>	<b>4</b>
Objects and Public Benefit	4
Activities	4
<b>Strategic Report</b>	<b>5</b>
Achievements and Performance	5
Plans for the future	10
Financial Review	11
<b>Structure, Governance and Management</b>	<b>12</b>
Statement of Trustees' Responsibilities	13
<b>Independent Auditor's Report</b>	<b>14</b>
<b>Statement of Financial Activity</b>	<b>17</b>
<b>Statement of Financial Position</b>	<b>18</b>
<b>Statement of Cash Flows</b>	<b>19</b>
<b>Notes to the Financial Statement</b>	<b>20-29</b>

## **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 Ayub Khan Shafiur Rahman Abdul-Hayee Murshad Mohammed Abdul Malik Aman Ali Hussain Muhammad Shefaar Mahera Ruby Rahela Choudhury Ruhana Ali Begum Sirajul Islam Sirajul Islam (Hira)	(Chairman) (Vice Chairman) (Vice Chairman) (Honorary Secretary) (Treasurer)
<b>Company Secretary</b>	Abdul-Hayee Murshad	
<b>Director</b>	Dilowar Hussain Khan	
<b>Registered Office</b>	82-92 Whitechapel Road, London, E1 1JQ	
<b>Statutory Auditors</b>	Abacus Partners (Ldn) LLP, Unit A, Abbotts 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 Barclays Bank Plc, Broadgate 2, Leicester LE87 2BB	
<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 these objects, the Trust hosts a range of services and activities for the benefit of the public.

## ACTIVITIES

This year was overshadowed by the Covid-19 pandemic, with three closures of the Trust's facilities, and restrictions in place when open – social distancing requirements limited prayer capacity to a third of normal.

Our facilities closed ahead of the first national lockdown in March 2020, including all Ramadan, reopening in July. The facilities closed for a month for the second lockdown. The third lockdown began in January 2021; although places of worship could remain open, in view of the alarming spread of Covid-19, the Trust voluntarily closed for seven weeks. When open, it was for the five daily prayers only, with strict safety measures in place.

Throughout this period, the Trust provided essential services to the community, including a food bank, meals for NHS workers and those in need, and vital counselling and advice services. Additional mortuary facilities were established to handle Covid-19 cases. The Trust promoted the vaccination programme, and hosted a 'pop-up' vaccination clinic, which went on to become a regular service for one day each week.

Our response to the pandemic was recognised in a visit by the Duke and Duchess of Cambridge, who met staff and volunteers who helped the needy and vulnerable in the lockdown, as well as some of the beneficiaries.

The Trust's primary and secondary schools and nursery (all rated 'Good' by Ofsted) operated under the national restrictions, and hosted limited educational opportunities for children and adults in evenings and at weekends.

We offer a wide range of services for 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.

Normally, 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 our policies, to ensure our facilities are used in accordance with our charitable status, and in a manner that does not harm our reputation.

Despite the impact of the pandemic, our community continued to support the Trust, especially online; in this year, £1.37 million was raised in donations and from other fundraising initiatives.

We usually facilitate weekly collections for UK registered charities, and several times a week in Ramadan. The closures and subsequent restrictions during the Covid-19 pandemic had a profoundly detrimental impact on this, reducing collections from a record the previous year of over £401k, to just over £20k this year.

## Volunteering

The Trust benefits greatly from dedicated, committed 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, Jamiat-ul-Muslimin. They

provide stewarding for Friday prayers, Ramadan, Eid and other special occasions, and provide support for charity collections. Over 100 volunteers contribute time estimated to be worth around £110,000 per year.

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

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

#### **Religious Projects and Services**

##### Prayer Facilities

The mosque is normally open to the public every day from 10am, up to 9pm in the winter months, and later in the summer months. The annual footfall for prayers is about 1.7 million. The average weekly footfall for prayers is over 32,000 people, almost doubling in Ramadan. The congregation for the Friday 'Jumua' prayer averages at well over 5,000, peaking at about 7,000 on the very busiest Fridays. The Friday sermon is delivered in English and community languages, plus British Sign Language for deaf worshippers; it is streamed live on Facebook, and made available on the ELM website and YouTube 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.

This report will refer to its normal operations, referring to the impact of Covid-19 only where it relates to the period covered.

##### 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 Islamic teachings helps prevent misunderstanding, aids the spiritual and academic growth of worshippers in a safe environment. Many lectures are streamed live, and during lockdown special arrangements were put in place to provide online lectures.

##### Ramadan & Eid

The Mosque was closed during the whole of Ramadan in 2020, due to the national lockdown. This had a significant impact during one of the most spiritual periods. It is also by far the most important time of the year for fundraising, so the closure necessitated a shift to online fundraising; despite the success of this, the amount of fundraising income fell below normal levels. Although closed for Eid al-Fitr, the Mosque was able to hold five congregational prayers for Eid al-Adha, catering for worshippers with strict social distancing measures.

##### Funerals

London's oldest Muslim funeral service, Taslim Funerals, is based in the facilities of the East London Mosque. Even during lockdown it of course had to continue to operate. For most of this year it had additional temporary mortuary facilities provided by the Trust to handle Covid-19 cases.

#### **Education**

The Trust offers full- and part-time education. Plans for a review of education have been delayed due to the pandemic.

##### Al-Mizan School & London East Academy

Al-Mizan School is a full-time junior school for girls and boys, and London East Academy (LEA) is a full-time secondary school for boys. Both schools operate under one governing body and headteacher. The governing body is a committee of the Trust. As with other independent schools, recruiting good qualified teachers remains a challenge but nevertheless a priority. The fees for the schools are competitive compared to other institutions providing similar service; the financing of the schools continues to be a challenge but is improving.

Both Al-Mizan School and London East Academy are rated 'Good' by Ofsted. Following the departure of the former headteacher in May 2021, an interim headteacher was appointed.

Despite the impact of Covid-19 and the two lockdowns, when both schools were closed, classes continued online using Zoom. Stringent administrative protocols were put in place to monitor attendance, learning and attainment, as well as pupil welfare. Additional school days were added to the calendar, by reorganising staff training days and shortening some holidays, to ensure pupils were able to keep up with the curriculum. When the schools reopened, the risk assessments for coronavirus ensured pupil wellbeing; minimising the spread of the virus was a priority, which included appropriate testing.

The GCSE results for 2021 were excellent: 93% of students achieved 5 GCSEs (including English and Maths) at grade 5 or higher. Similarly, 93% achieved grade 5 or higher in the Ebac. 64% of students achieved 5 GCSEs (including English and Maths) at grade 7 (equivalent to grade A) or higher. One student achieved ten grade 9s, another achieved nine grade 9s and one grade 8, and two achieved seven grade 9s and two grade 8s.

#### 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 usually operates 8 classes with over 140 students; the impact of Covid-19 lockdowns and restrictions reduced this – in July 2021, there were 6 classes with 82 students. When the Madrasah closed, it moved to online classes, from the end of 2020, until it reopened in May 2021. Pupil numbers are increasing now. Despite the impact on teaching, pupils continue to make good progress. The Madrasah is supported by the Schools & Evening Madrasah Governing Body, which is a committee of the Trust.

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 children aged six and above, and some courses for adults. The Trust supports several other educational projects based in its complex: Rainbow House, Saturday Islamic School, Hornafric Development Association, Al Qalam Madrasah, and Jibreel Institute.

#### **Social Welfare**

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

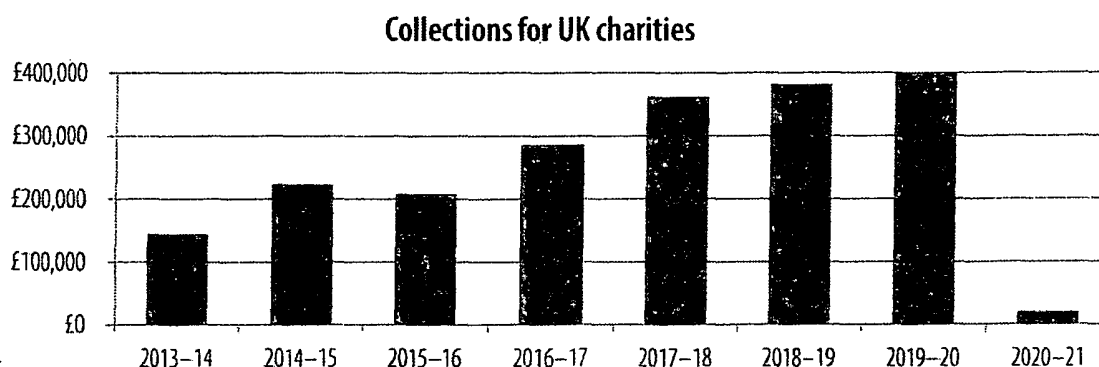
#### Religious Advice and Support

The Mosque's Imams give advice and guidance on religious matters, on issues such as marriage, inheritance, family and financial matters. There was still an average of 182 contacts per day, but because of the pandemic now more enquiries are by telephone rather than in person at the ELM reception.

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.

#### Supporting charitable causes

The Covid-19 pandemic had a profoundly detrimental impact on external charity collections, especially in Ramadan 2020 when the Mosque was completely closed. The Trust was able to host only 12 external collections in this period for UK registered charities (109 last year), and then only to reduced congregations due to social distancing restrictions, raising just £20,451 for worthy causes in the UK and overseas.



#### Women-only services

More than 20 female user groups, covering all ages and from different backgrounds, use the Trust's facilities on a weekly basis, such as the London Saturday Circle, the Tafseer Class, the Friday Youth Circle, and the New Muslims Circle. 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. It also offers a much-valued professional counselling service for women – this service swiftly moved online, using Zoom and telephone, during the pandemic, as we saw a rise of clients needing support; 797 counselling sessions took place compared to 176 the previous year. Our frontline staff have been trained as 'Violence against women and girls' champions, and to support women facing domestic violence.

#### Youth engagement

The Trust facilitates programmes for young people of all ages. It has initiated discussions on creating a youth forum to strengthen relationships and find ways to offer social and recreational opportunities for young people in an Islamic environment.

#### Support for new Muslims

New Muslims are supported through weekly programmes. During the pandemic, our Senior Imam gave online talks using Zoom. We are in the process of recruiting a Projects & Engagement Officer to support this work.

#### Services for the elderly

The Trust organises regular social gatherings for the elderly, though this was seriously affected by the pandemic.

#### Legal advice

Pro Bono in the LMC (PBLMC) is a free legal advice service, run by volunteer practising barristers, solicitors and CILEx (Chartered Institute of Legal 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. Whilst many of PBLMC's clientele are Muslims, non-Muslims also come to PBLMC for legal help. It had to close during the pandemic.

#### **Community Cohesion**

The Trust works actively to forge stronger relationships and alliances with interfaith groups, civic society and wider society through engagement programmes and activities throughout the year. The Covid-19 pandemic continued to affect the normal levels of engagement.

#### Open Days, Tours and Visits

Normally, the Trust facilitates regular open days and exhibitions through the Islam Awareness Project (IAP), with the aim to improve community relations and remove misunderstandings about Islam and Muslims. Due to Covid-19, we had to suspend visits and tours.

#### Islam Awareness Courses (CPD Accredited)

During lockdown, we could not hold our regular Islam Awareness Courses. As part of our engagement strategy, CPD accredited courses on Islam and Muslims will resume from September 2021. The objective is to be a recognised institute of learning for non-Muslim professionals.

#### Baraka Khan Visitor Gallery

The Baraka Khan Visitor Gallery (BKVG), on the first floor of the Maryam Centre overlooking the prayer hall, is supported by the Baraka Khan Foundation, working with the Mosque to create an exemplar institution within the community, building positive relations, and continuing the legacy of the late Baraka Khan. The BKVG mission is 'to build an alliance of goodness'.

The BKVG will continue to provide a reflective space for bereaving families who can observe the funeral prayers, and will have guided information on what is being read.

The facilities in the BKVG are being upgraded to improve the visitor experience and for those hiring it out for meetings and events.

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

The Trust continues to work with faith and non-faith organisations to remove misunderstanding and promote community cohesion.

The Trust 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.

#### Tackling Racism, Islamophobia and Anti-Semitism

The Trust has continued to work with anti-racist organisations and others to challenge Islamophobia, organising and supporting a number of events throughout the year.

On 26 November 2020, the ELMT hosted a digital event, as part of its Virtual Roundtable Series, titled 'Global Islamophobia: Roots, Context and Deconstruction'. The event featured key academics, leaders and influencers, who approached the topic from various angles during the two-hour discussion over Zoom, including: Dr Narzanin Massoumi, a lecturer and a British Academy Postdoctoral Fellow at the Sociology, Philosophy and Anthropology department at Exeter University; Prof Ron Geaves, Honorary Visiting Professor at the Centre for the Study of Islam in the UK at Cardiff University, and formerly a professor of comparative religion at Liverpool Hope University; Marwan-Muhammad, former spokesman and director of the Collective Against Islamophobia in France (CCIF) and a French-Egyptian author and statistician, and, Linda Hyokki, the General Secretary of the European Forum of Muslim Women (EFOMW).

#### **Premises**

##### Phase 3 & ELM dome

Enveloping works for the extension to the main prayer hall began in early 2021. Part of this phase of works includes the installation of an integrated ventilation, heating & cooling system for the main prayer hall. A planning application for the 2<sup>nd</sup> floor extension works has been submitted. The expected completion of the ground floor extension is mid 2022.

The dome and minaret caps, which are made of fibreglass, have come to the end of their lifespan, so work has been commissioned for their replacements.

##### 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 Trust. 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 Trust is in regular contact with the police, in particular the counter-terrorism branch.

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, and their core duties include opening and closing of the buildings, monitoring CCTV, signposting, implementing access and exit restrictions when appropriate, recording and reporting incidents (including to the police), as well as carrying out internal and external patrols throughout the day and night.

Security is increased during high profile visits by dignitaries to the Mosque and Centre, also for Ramadan night-time prayers and Eid Prayers.

The Trust's security staff are appropriately equipped with walkie-talkies, stab proof vests, hand held scanners, and so on. Training and awareness sessions were undertaken with the Metropolitan Police. The intercom systems installed in 2020 have improved the security of the building by restricting unauthorised access particularly reducing public using our buildings as a shortcut.

During the lockdown period in early 2021, the Mosque was closed again to the public, and the complex sealed off to all but tenants and essential staff. A signing in/out book was again introduced for those authorised to come in to maintain the skeleton services provided to the public over the telephone. All access for staff and contractors was via one entrance, monitored by a security guard stationed in the control room.

### **Governance and Administration**

The Director of Finance & Engagement remains as the lead member of staff, whilst the Board of Trustees continue to try to recruit a CEO. The Strategic Plan 2020-24 is guiding the ELMT's priorities.

The review of staffing continued, with restructuring of the roles of department heads and some other senior staff, and proposals for an amalgamation of the reception and events teams.

The Trust's policies and procedures are kept under regular review (25 in this reporting period), with oversight from the Trust's Governance, Compliance & Audit Committee.

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

The main sources of income for the Trust are from donations, rental/investment income and school fees. In this financial year some of our regular fundraising campaigns were suspended due to the lockdown. As the Mosque was closed for more than 6 months, including Ramadan, some of our fundraising initiatives were affected, e.g. Ramadan appeal, particularly on the 27<sup>th</sup> night of Ramadan. However, we continued with the appeals during the limited opening of the Mosque and focused more on online. The income from fundraising activities and rental/hall hire income were reduced significantly due to the lockdown.

However, the Trust's gross income has increased by 6% to just over £4.3m (last year at £4m). The expenditure remained similar. The net surplus income increased by 49% to just over £1.0m (0.7m last year). The significant increment is due to the income received from the HMRC Job Retention Scheme; without this support, the surplus income would have reduced by 44% from last year to just £381k, which is just over the budgeted forecast (£292k). The strategic plan includes the aim to sustain a year-on-year surplus of £0.5m. We are planning to achieve this goal but it will probably be delayed due to the impact of Covid-19 on the economy.

The Trust engaged a company for digital fundraising, which has proved very successful in raising additional donations, in the first year generating an additional £167k, despite a huge increase in competition for online fundraising.

The ELM Waqf (Sustainability Fund) appeal has not made progress due to the lockdown. The objective of this initiative is to earn more income for the Trust by raising around £3m for the Waqf Fund over the next 5 years, through donations and Qard Hasanah (interest free loans), then to invest in low risk investments. To date we have raised just over £400k, of which £379k has been invested through the Trust's subsidiary (ELMT Waqf Ltd) in two new-build residential properties in Northampton. Again, the return on this investment has been delayed due to the significant delay in completion due to the lockdown. It is expected the return will be around 20%.

The 'legacy giving' campaign to the Trust is continuing. The total amount pledged by individuals in their wills has reached more than £0.6m. The legal firm has been reappointed to provide a discounted will writing service to our congregation.

The Trust achieved just under 5% rental income on its investment properties. Income from hall hire decreased significantly (97%) due to the lockdown. The halls and rooms of the London Muslim Centre and Maryam Centre are primarily used by our schools on term-time weekdays, and hired to charities and community groups at a discount to promote educational, social and religious activities. The halls are also hired for Muslim wedding celebrations.

The London East Academy continues to operate in surplus. Al-Mizan School's operating deficit is decreasing. The plan to review the schools has been delayed due to the lockdown.

## **PLANS FOR THE FUTURE**

### Governance and Administration

1. Continue to review policies and procedures to deliver a stronger governance structure.
2. Establish a robust induction process and create an annual training programme for trustees.
3. Plan for succession of trustees and members, build capacity and improve processes to increase diversity, ensure a broad range of skills, and improve compliance.
4. Complete review of staffing and departmental structure, including head of staff.

### Fundraising and Income Generation

5. Maintain net income of the Trust at a sustainable £0.5m per annum.
6. Continue to make better use of internet and social media streams through digital fundraising.

### Projects and Services

7. Carry out review of the Trust's full-time education.
8. Carry out review of all supplementary education for children.
9. Establish a youth forum to build relationships between young people and the Mosque.
10. Find ways to offer social and recreational opportunities for young people in an Islamic environment.
11. Enhance support for new Muslims.
12. Develop further support for charitable giving to good causes.
13. Develop services for the elderly.
14. Put measures in place for weekly support sessions for tackling domestic violence.
15. Develop a structured, holistic approach to promoting family values and tackling family break-up.
16. Improve opportunities for researchers by developing the Trust's archive service.
17. Articulate community concerns about the implementation of Relationship and Sex Education.
18. Support community needs in response to the Covid-19 pandemic, by providing additional mortuary facilities, establishing a food bank and helping the needy and vulnerable.
19. Work with others to provide support for refugees and asylum seekers being housed in our Borough.

### Developing Relationships / Improving Image

20. Develop further ways to work with wider society.
21. Create a series of media assets that challenge misconceptions about Islam and explain Muslim concepts.
22. Provide courses and seminars that give a balanced and contextual understanding of Islam.
23. Enhance visitor use of the BKVG with displays and a comprehensive range of exhibition materials.

## Assets & Premises

24. Manage the Phase 3 extension.
25. Refurbishment of dome and minarets.
26. Continue redevelopment of administrative and reception facilities.

## **FINANCIAL REVIEW**

### **Principal Funding Sources**

The Trust raised £1.18m through donations (£1.22 in 2020). Income generated from charitable activities increased to just under £1.7m (£1.21m in 2020). Due to the impact of lockdown both the income from investment decreased to £0.78m (1.0m in year 2020) and income from fundraising activities decreased significantly to just £79k (£455k in 2020). The Trust claimed £0.6m from the HMRC Job Retention Scheme.

Restricted income is either the fees or donations received for individual projects, e.g. the Trust's schools and ELM Waqf (sustainability fund).

### **Staff Remuneration**

The Trust has a pay scale for remuneration of staff. Its remuneration committee decided to increase the pay scale by 1.3% in line with the Consumer Price Index (Dec 2019), with the lowest level maintained at 10p per hour more than the minimum wage.

### **Investment Policy**

The foremost reason for the Trust to operate an investments policy is to grow the Trust'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 Trust through the management accounts and budgets, paying particular attention to short term and long term financial commitments.

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

The investment level of the Trust 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 Trust 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 Trust 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 £0.78m this year, yielding a return of 4.9% based on the current investment value of £16.05m. There was around 84% occupancy in the investment properties, and discounts had to be given due to the lockdown, which resulted in reduced income for the year.

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 Trust's main fund.

### **Reserves Policy**

The main objective of the reserves policy is to ensure that the Trust 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 £0.60m. 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 Trust identifies and monitors risks in the areas of compliance, reputation, financial management, governance and operations, and puts in place measures to mitigate these risks, especially those deemed as major. These measures, backed by regular review, ensure strong protection of the charity.

Amongst the key measures the Trust 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 Trust's premises

The Trust's booking process and policy for speakers helps to mitigate reputational risks. The Trust robustly challenges any misleading or malicious media reports.

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

The school uncovered possible fraud and theft by a former employee. It asked our auditor to investigate; based on their findings, the matter was reported to the police and the Charity Commission. The issue is currently ongoing, but already the schools have taken independent advice, and improved their procedures accordingly.

The Trust benefits from interest-free loans from supporters, known as Qard Hasanah. The balance of this loan dropped slightly to £4.78M at the end of this reporting period – reflecting that the amount coming in (£192k) was less than the amount repaid (£261k). These loans have helped the Trust to undertake past capital developments, and to establish investments to help sustain the Trust, known as Waqf. The Trust ensures it keeps sufficient cash flow to repay Qard Hasanah upon request, and can sell its investment properties should the need arise. The Trust is continuing to develop its Waqf base, to create a solid foundation for future income.

## **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**

The East London Mosque Trust is a company limited by guarantee. Its Articles of Association were last updated in 2019. Ten trustees are elected by the Trust's membership from amongst themselves every two years. The elected trustees may appoint up to five additional trustees whose expertise 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:

- Executive Committee
- Governance, Compliance & Audit Committee
- Schools' & Evening Madrasah Governing Body

The Trust considers the Executive Committee (currently consisting of the Trust's Chairman, two Vice Chairman, Honorary Secretary, Treasurer, and four 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 activated its subsidiary, the ELMT Waqf, in this reporting period. 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.

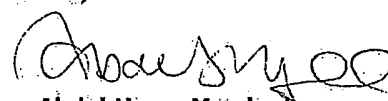
Each of the persons who is a director / trustee at the date of approval of this report confirms that:

- 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 23 October 2021 and signed on its behalf by:



**Muhammad Habibur Rahman**  
Chairman



**Abdul-Hayee Murshad**  
Honorary Secretary

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EAST LONDON MOSQUE TRUST FOR THE YEAR ENDED 31 MARCH 2021

## Opinion

We have audited the financial statements of The East London Mosque Trust for the year ended 31st March 2021, which comprise the statement of financial activities, 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 2021, 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.

## Emphasis of matter

We draw users' attention to the bad debt expenses in Note 15 of the Accounts, due to suspected theft by the ex-Headteacher. The schools operated with inordinately large cash balances in the safe during the lockdown period, which were not reconciled or banked regularly. This was contrary to normal procedures. There is evidence to suggest that the ex-Headteacher may have been responsible for the missing cash, during periods where he furloughed the Finance Officer.

As losses from missing student fees collections could be substantiated during the financial year, the financial statements are not materially misstated.

Following the thefts, the Schools have revised their internal controls, which now include limited cash collections, use of a professional cash-in-transit service, and reduction in petty cash use.

## 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.

### **Other information**

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Trustees Annual Report, including the Strategic 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.

### Use of our report

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 Acts 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 body, for our audit work, for this report, or for the opinion we have formed.

Mr Nur Akmal 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: 23 October 2021

**ABACUS PARTNERS (LDN) LLP**  
Accountants & Registered Auditors  
Unit A, Abbots Wharf  
93 Stainsby Road  
London E14 6JL  
Tel: 020 7538 5042



# EAST LONDON MOSQUE TRUST

(Company Limited by Guarantee)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY (INCORPORATING THE INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
<b><u>Incoming Resources</u></b>					
Donations and Legacies	3	1,128,194	47,589	1,175,783	1,223,068
Activities for Generating Funds	4	79,220	-	79,220	455,813
Investment Income	5	776,544	-	776,544	1,005,072
Income from Charitable Activities	6	116,873	1,576,120	1,692,993	1,212,550
Others Incoming Resources	7	652,249	-	652,249	130,504
<b>Total Incoming Resources</b>		<b>2,753,080</b>	<b>1,623,709</b>	<b>4,376,789</b>	<b>4,027,008</b>
<b><u>Resources Expended</u></b>					
Costs of Generating Donation Income	8	49,215	-	49,215	50,178
Fundraising Costs	9	142,580	-	142,580	168,384
Investment Management Costs	10	236,467	500	236,967	258,509
Charitable Activities Costs	11	879,996	1,312,981	2,192,977	2,106,324
Support costs	12a	662,850	-	662,850	659,572
Governance costs	12b	81,662	-	81,662	82,018
<b>Total Resources Expended</b>		<b>2,052,770</b>	<b>1,313,481</b>	<b>3,366,251</b>	<b>3,324,986</b>
<b>Net Income/Deficit Before Fund Movements</b>		<b>700,310</b>	<b>310,227</b>	<b>1,010,538</b>	<b>702,022</b>
Gross Transfer Between Funds	24	211,038	(211,038)		
<b>Net Movement before other recognised gains and losses</b>		<b>911,348</b>	<b>99,190</b>	<b>1,010,538</b>	<b>702,022</b>
Gains / (losses) on revaluation of Fixed assets	14	-	-	-	-
<b>Net Movement in Funds</b>		<b>911,348</b>	<b>99,190</b>	<b>1,010,538</b>	<b>702,022</b>
<b><u>Reconciliation of funds:</u></b>					
Total Funds Brought Forward		31,501,272	4,039,657	35,540,929	34,838,907
<b>Total Funds as at 31 March 2021</b>		<b>32,412,620</b>	<b>4,138,847</b>	<b>36,551,467</b>	<b>35,540,929</b>

All the activities of the company are from continuing operations.


The notes on pages 20 to 29 form part of these financial statements.

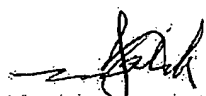
**EAST LONDON MOSQUE TRUST**  
(Company Limited by Guarantee)  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	£	Total 2021 £	Total 2020 £
<b>Fixed Assets:</b>				
Freehold Land and Buildings	14		13,281,232	13,281,232
Leasehold Land and Buildings	14		10,456,034	10,456,034
Investment Properties	14		16,049,751	16,049,751
Fixture, fittings and equipment	14		472,239	448,224
Investment in Subsidiaries	1.18		1	1
			<u>40,259,257</u>	<u>40,235,242</u>
<b>Current Assets:</b>				
Stock		3,449	3,662	
Debtors & prepayments	15	836,767	717,640	
Cash at bank & in hand		<u>2,080,097</u>	<u>1,417,011</u>	
		2,920,313	2,138,313	
<b>Current Liabilities:</b>				
Amount falling due within one year	16	<u>2,945,299</u>	<u>3,021,588</u>	
<b>Net Current Assets / (Liabilities)</b>			<u>(24,986)</u>	<u>(883,275)</u>
<b>Total Assets less Current Liabilities</b>			<u>40,234,271</u>	<u>39,351,967</u>
<b>Creditors:</b>				
Amount falling due after one year	17		3,682,804	3,811,038
<b>Total Net Assets</b>			<u><u>36,551,467</u></u>	<u><u>35,540,929</u></u>
<b>Funds of the Charity</b>				
Restricted Funds	23		4,138,847	4,039,657
Unrestricted Funds	24			
General Funds		1,311,164	626,566	
Designated Funds		<u>31,101,456</u>	<u>30,874,706</u>	<u>31,501,272</u>
<b>Total Funds as at 31 March 2021</b>			<u><u>36,551,467</u></u>	<u><u>35,540,929</u></u>

The financial statements were approved and authorised for issue by the Board on 23 October 2021.

Signed on behalf of the board of trustees

  
Mr Muhammad Habibur Rahman  
Trustee & Chairman

  
Mr Mohammed Abdul Malik  
Trustee & Treasurer

The notes on pages 20 to 29 form part of these financial statements.

**EAST LONDON MOSQUE TRUST**  
(Company Limited by Guarantee)  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	£	2021 £	£	2020 £
<b>Cash Outflow from Operating Activities</b>					
Operating Surplus		1,010,538		702,022	
Depreciation		83,354		74,675	
Other Investment Income		(2,341)		(2,466)	
(Gain)/Loss on fixed asset disposal		-		-	
(Increase)/Decrease in Debtors		(119,127)		(17,215)	
(Increase)/Decrease in Stock		213		(2)	
Increase/(Decrease) in Creditors		(1,687)		(88,357)	
<b>Cash from Operations</b>		<u>970,951</u>		<u>668,658</u>	
<b>Net Cash Generated from Operations</b>			970,951		668,658
<b>Cash Outflow from Investment Activities</b>					
Purchase of Tangible Fixed Assets		(107,471)		(528,611)	
Investment in Subsidiary		-		-	
Fixed assets disposal		-		-	
Interest / Profit on investment		2,341		2,466	
<b>Net Cash inflow/outflow from investment Activities</b>			(105,130)		(526,144)
<b>Cash Outflow from Financing Activities</b>					
Increase/(Decrease) of Long Term Loan		(134,035)		(117,849)	
Increase/(Decrease) of Qard Hasanah (Private Loan)		(68,700)	(202,735)	(344,084)	(461,933)
<b>Net Increase/(decrease) in Cash and Cash Equivalent</b>			663,086		(319,420)
Opening Cash and Cash Equivalents			1,417,011		1,736,431
Closing Cash and Cash Equivalents			<u>2,080,097</u>		<u>1,417,011</u>
<b>Reconciliation:</b>					
Cash at bank and in hand			2,080,097		1,417,011
			<u>2,080,097</u>		<u>1,417,011</u>

See Note 36 for analysis of changes in net debt

The notes on pages 20 to 29 form part of these financial statements.

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 1 Accounting Policies

#### 1.1 Basis of preparation of accounts:

The charitable company is a public benefit entity as defined by FRS 102, and the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)- Charities SORP FRS 102, and 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 Going concern:

The financial statements have been prepared on a going concern basis as the Directors anticipate no material uncertainties exist going forward, and that the expected level of income will support all expenditure for 12 months from the date of authorising these financial statements. The Trust once again has a congregation following easing of lockdown restrictions, which may lead to some increase in donations. Despite the fact that there are some vacant investment property spaces at year-end, which will mean less investment income than prior years, the Trust still has a significantly reduced net assets deficit in this financial year. It has sufficient cashflow to continue operations for 12 months from the signing date.

#### 1.3 Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The current

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 funds are set out in Note 23.

#### 1.4 Income recognition:

All incoming resources are included in the Statement of Financial Activity (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.

- Cash donations are recognised on receipt.
- Tuitions 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 property and cash deposits for investment purposes. 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.
- Hall and room hire income is recognised as at the date of the event.
- Grants for immediate expenditure are accounted for when they become receivable.

#### 1.5 Expenditure and irrecoverable VAT:

All expenditure is accounted for on an accruals basis within the Statement of Financial Activity, 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. Input VAT that cannot be claimed is included in the cost to which it relates.

#### 1.6 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.

#### 1.7 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 2021

### 1.8 Tangible fixed assets and depreciation:

Freehold and long leasehold properties are not depreciated as they are maintained at a high standard, thus extending their useful life. Impairment reviews are conducted where assets are not depreciated. Individual fixed assets costing £500 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	15% Reducing balance.
Furniture, Fixtures and fittings	15% Reducing balance.

### 1.9 Investment properties:

Investment properties are held at fair value, which is measured annually with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

### 1.10 Investments:

Investments are recognised initially at fair value, which is normally stated at cost less provision for permanent diminution in value. 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.

### 1.11 Stock:

Stock held by the entity consists of books and radios. 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.

### 1.12 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.

### 1.13 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.

### 1.14 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 one year.

### 1.15 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.

### 1.16 Pensions:

Employees of the charity are entitled to join a defined contribution pension scheme. The pension contributions by the charity are charged to the financial statements, and equal or exceed the statutory minimum percentages applied to pensionable earnings.

### 1.17 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.

### 1.18 Group accounting

The entity has a 100% stake in a dormant subsidiary LMC Limited and a 100% stake in ELMT Waqf Ltd. The latter's total reserves at 31 March 2021 were (£930). ELMT has a loan outstanding with ELMT Waqf Ltd., the details of which are discussed in Note 29.

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 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 for each member of the charity.

### Incoming Resources

3	Voluntary Income	Note	Unrestricted £	Restricted £	2021 £	2020 £
	General Donations		1,052,277		1,052,277	1,195,113
	Baraka Khan Visitor Centre					
	Archiving Project			47,589	47,589	1,166
	Gift Aid		75,917		75,917	26,790
			<u>1,128,194</u>	<u>47,589</u>	<u>1,175,783</u>	<u>1,223,069</u>
4	Activities for Generating Funds		Unrestricted £	Restricted £	2021 £	2020 £
	Hall and Room Hire		4,054		4,054	178,003
	Fundraising Activities		68,322		68,322	46,360
	Bookstall and similar sales		6,845		6,845	47,171
	Charity package sponsorships				-	184,280
			<u>79,220</u>	<u>-</u>	<u>79,220</u>	<u>455,813</u>
5	Investment Income		Unrestricted £	Restricted £	2021 £	2020 £
	Rent and Services Charges		774,202		774,202	1,002,606
	Profit on Bank Deposits and investments		2,341		2,341	2,466
			<u>776,544</u>	<u>-</u>	<u>776,544</u>	<u>1,005,072</u>
6	Income from Charitable Activities		Unrestricted £	Restricted £	2021 £	2020 £
	<u>a) Educational Projects</u>					
	Al Mizan School			452,195	452,195	318,906
	London East Academy			749,077	749,077	667,267
	ELM Evening Madrasah			58,798	58,798	74,264
				<u>1,260,070</u>	<u>1,260,070</u>	<u>1,060,437</u>
	<u>b) Contributions to ELMT for service use</u>					
	Al Mizan School		39,876		39,876	39,876
	London East Academy		50,528		50,528	50,528
			<u>90,404</u>	<u>-</u>	<u>90,404</u>	<u>90,404</u>
	<u>c) Other charitable funds</u>					
	Fitr Fund			66,982	66,982	54,900
	Zakat Fund			60,254	60,254	25,341
	Welfare Fund			1,333	1,333	21,872
	Counselling Projects			39,600	39,600	50,000
	Winter Food Campaign (Islamic Relief)			13,750	13,750	
	Burial Support			79,535	79,535	
	Covid 19 Community Support/EECF			34,596	34,596	
	Iftar and Iikaf		26,469		26,469	72,033
	NHS Community Investment Scheme			20,000	20,000	
			<u>26,469</u>	<u>316,049</u>	<u>342,518</u>	<u>224,146</u>
	<b>Total</b>		<b><u>116,873</u></b>	<b><u>1,576,120</u></b>	<b><u>1,692,993</u></b>	<b><u>1,284,583</u></b>
The contributions by the schools for use of ELMT facilities are reflected in the schools' costs in Note 11.						
7	Other Incoming Resources		Unrestricted £	Restricted £	2021 £	2020 £
	HMRC Job Retention Scheme		629,435		629,435	-
	User Groups' Contributions				-	14,336
	Wedding and Attestations		16,270		16,270	32,210
	Sundry		6,544		6,544	11,925
			<u>652,249</u>	<u>-</u>	<u>652,249</u>	<u>58,471</u>
	<b>Total Income</b>		<b><u>2,753,080</u></b>	<b><u>1,623,709</u></b>	<b><u>4,376,789</u></b>	<b><u>4,027,007</u></b>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Expenses Summary

8	Voluntary Cost	Note	Unrestricted £	Restricted £	2021 £	2020 £
	Printing and Publicity		29,202		29,202	23,240
	Volunteer Expenses		2,314		2,314	5,915
	Insurance	13	11,136		11,136	9,219
	Subscriptions		6,564		6,564	11,804
			49,215	-	49,215	50,178
9	Fundraising Cost		Unrestricted £	Restricted £	2021 £	2020 £
	Salaries and Employer's NIC		60,972		60,972	81,099
	Fundraising Events and Campaigns		75,518		75,518	61,401
	Bookstall and Similar Supplies		6,089		6,089	25,885
			142,580	-	142,580	168,385
10	Investment Management Costs		Unrestricted £	Restricted £	2021 £	2020 £
	Salaries and Employer's NIC	13	99,245		99,245	97,021
	Premises Expenses	13	90,467		90,467	102,410
	Insurance	13				
	Management Fees					
	Finance Charges		46,755		46,755	59,078
	Waqf Ltd.			500	500	530
			236,467	500	236,967	259,039
11	Charitable Activities		Unrestricted £	Restricted £	2021 £	2020 £
	<u>Educational Projects</u>					
	Al Mizan School			428,551	428,551	450,468
	London East Academy			588,276	588,276	617,436
	Elm Evening Madrasah			74,909	74,909	76,881
				1,091,736	1,091,736	1,144,784
	Welfare Fund Distribution			3,000	3,000	26,929
	Counsellor Fees			54,478	54,478	46,791
	NHS Community Investment Scheme					
	Fitr Fund Distribution			66,475	66,475	54,900
	Zakat Fund Distribution			4,960	4,960	36,680
				128,913	128,913	165,300
	Salaries and Employer's NIC	13	225,556		225,556	220,502
	Premises Expenses	13	620,904		620,904	622,503
	Archiving Expenses			11,642	11,642	11,461
	Baraka Khan Visitor Centre			2,640	2,640	704
	Winter Food Campaign (Islamic Relief)			13,121	13,121	
	Burial Support			55,071	55,071	
	Covid19 Community Support			9,857	9,857	
	Iftar and Ihtak Expenses		21,097		21,097	18,285
	Telephone, Fax and Internet	13	4,775		4,775	3,430
	Computers and IT Expenses	13	7,088		7,088	7,325
	Postage and Stationery	13	576		576	1,903
			879,996	92,332	972,328	886,114
			879,996	1,312,981	2,192,977	2,106,324

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

12	<b>Support and Governance Costs:</b>	<b>Note</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021</b>	<b>2020</b>		
	<b>a) Support Costs</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		
	Salaries and Employer's NIC	13	505,246		505,246	493,924		
	Insurance	13	11,136		11,136	9,219		
	Telephone, Fax and Internet	13	4,775		4,775	3,430		
	Computers and IT Expenses	13	7,088		7,088	7,325		
	Postage and Stationery	13	576		576	1,903		
	Legal and Professional Fees		20,358		20,358	12,151		
	Training and Courses		600		600	2,692		
	Payroll Services					2,940		
	Book-Keeping and Accountancy		8,800		8,800	8,800		
	Bank and Credit Card Charges		32,390		32,390	25,988		
	Sundry		4,685		4,685	25,996		
	Depreciation on FF and Equipment		67,196		67,196	65,205		
	Loss on FA disposal							
			662,850	-	662,850	659,572		
	<b>b) Governance Costs</b>							
	Salaries and Employer's NIC	13	72,178		72,178	70,561		
	Auditor remuneration		9,160		9,160	9,160		
	Meetings and Training		324		324	2,298		
	Legal and Professional Fees							
			81,662	-	81,662	82,018		
			744,512	-	744,512	741,591		
	<b>Total Expenses</b>		<b>2,052,770</b>	<b>1,313,481</b>	<b>3,366,251</b>	<b>3,325,515</b>		
13	<b>Allocation of Costs:</b>	<b>Basis of alloc</b>	<b>Total</b>	<b>Support Costs</b>	<b>Governance</b>	<b>Voluntary Costs</b>	<b>Investment Mgt cost</b>	<b>Charitable Activities</b>
	<b>a) Charitable Activities:</b>							
	Cleaning and Support Services	1: 9	263,825				26,382	237,442
	Service Charges	1: 1	6,106				3,053	3,053
	General Rates and Water	1: 9	36,769				9,311	27,457
	Lighting and Heating	1: 9	133,897				13,390	120,508
	Repairs and Maintenance	1: 9	258,271				25,827	232,444
			698,866	-	-	-	77,963	620,904
	<b>b) Support Costs:</b>							
	Computer and IT Expenses	1: 1	14,176	7,088				7,088
	Postage and Stationery	1: 1	1,152	576				576
	Insurance	1: 1	22,271	11,136		11,136		-
	Salaries and Employer's NIC	56:8:11:25	902,225	505,246	72,178		99,245	225,556
	Telephone, Fax and Internet	1: 1	9,551	4,775				4,775
			949,375	528,820	72,178	11,136	99,245	237,996



# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 14 Tangible Fixed Assets:

	Freehold Land & Building	Leasehold Land & Building	Investment Properties	Fixtures, Fittings & Equipment	Total
Cost or valuation:	£	£	£	£	£
At 1 April 2020	13,281,232	10,456,034	16,049,751	1,463,855	41,250,872
Addition	-	-	-	107,471	107,471
Gains / (losses) on fair value of Fixed assets	-	-	-	-	-
Disposal	-	-	-	-	-
Properties Transferred (to) / from CA Investment	-	-	-	-	-
Land and Buildings transferred to FA Investment	-	-	-	-	-
	<u>13,281,232</u>	<u>10,456,034</u>	<u>16,049,751</u>	<u>1,571,326</u>	<u>41,358,343</u>
Depreciation:					
At 1 April 2020	-	-	-	1,015,732	1,015,732
Charge for the year	-	-	-	83,354	83,354
Eliminated by Disposal	-	-	-	-	-
				<u>1,099,087</u>	<u>1,099,087</u>
Net Book Value					
As at 31 March 2021	<u>13,281,232</u>	<u>10,456,034</u>	<u>16,049,751</u>	<u>472,239</u>	<u>40,259,256</u>
As at 31 March 2020	<u>13,281,232</u>	<u>10,456,034</u>	<u>16,049,751</u>	<u>448,124</u>	<u>40,235,141</u>

The net book value of tangible fixed assets investment comprised:

	2021 £	2020 £
Investment properties:		
Freehold Land and buildings	6,600,237	6,600,237
Long leasehold Land and buildings	9,449,514	9,449,514
Total Investment Property	<u>16,049,751</u>	<u>16,049,751</u>
	2021 £	2020 £
Fair Value reconciliation		
Cost of investment Properties	16,049,751	16,049,751
Reclassifications and additions	-	-
Gains / (losses) on revaluation of Fixed assets	-	-
	<u>16,049,751</u>	<u>16,049,751</u>

Mixed use land & buildings (with investment element), were last subject to a professional valuation during the financial year 2018/19, and the trustees have considered that no fair value adjustments were required during the year (see below). Professional valuations were also made on all sole investment properties in July 2020. The Trustees have considered that no fair value adjustments are required in the period to March 2021, as property prices have remained stable, with no long-standing effects from the pandemic.

Property	Cost B/fwd £	Cost @ 31.03.2021 £	Additions / Disposals £
East London Mosque	5,203,000	5,203,000	-
London Muslim Centre Including Business Centre	15,825,000	15,825,000	-
Maryam Centre	12,650,000	12,650,000	-
Wellands Way (Northampton)	379,016	379,016	-
	<u>34,057,016</u>	<u>34,057,016</u>	<u>-</u>

All other residential properties are as follows:

	Fair Value B/fwd £	Fair Value @ 31.03.2021 £	Gain / (Loss) £
Total number of properties : 8	<u>5,730,000</u>	<u>5,730,000</u>	<u>-</u>

### 15 Debtors & Prepayments:

	2021 £	2020 £
Prepayments	61,016	72,522
Rent and Others	488,886	468,453
Welfare debtors	20,000	10,000
Payroll debtors	779	1,534
Job Retention Scheme	47,678	-
Student Fees	243,798	187,793
Bad debts	(25,390)	(22,663)
	<u>836,767</u>	<u>717,640</u>

Bad debts relate to missing student fee receipts (See Note 37). These are deemed not recoverable from parents.

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

16 Creditors: Falling due within one year	2021	2020
	£	£
Other Taxes and Social Security Costs	49,260	48,379
Trade Creditors	102,810	111,733
Rent and Hall Hire Deposits	104,531	106,909
Advance Tuition Fees	337,150	347,100
Accruals and Deferred Income	259,547	245,401
Al Rayah (IBB) Bank Loan	180,789	180,789
Qard Hasanah - Private Loan	1,893,873	1,968,373
Pension Contributions	17,339	12,903
	<u>2,945,299</u>	<u>3,021,588</u>

17 Creditors: Falling due after more than one year	2021	2020
	£	£
Qard Hasanah - Private Loan	2,886,573	2,880,773
Bank Loans	796,231	930,265
	<u>3,682,804</u>	<u>3,811,038</u>

**18a) Private Loans:** "Qard Hasanah" are loans from the charity's beneficiaries, which are repayable on request. There is no interest due or security given for these loans. Long-term Qard Hasanah loans have been contractually agreed with private individuals, as not repayable within 12 months. Short-term loans can be repayable at any time.

**18b) Departure from FRS 102 loan disclosures:** FRS102 requires long-term interest-free loans to be stated at its present value. Effectively this would mean loan amounts stated in the account are 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.

18 Analysis of Staff Costs:	2021	2020
	£	£
Total Salaries	1,894,759	1,840,045
Employer's NIC	137,146	122,888
Pension Contributions	96,562	79,921
Total Employment cost	<u>2,128,466</u>	<u>2,042,855</u>
Average number of employees: Support	33	31
Average number of employees: Direct charitable	88	83
	<u>121</u>	<u>114</u>
Employees paid in excess of £60,000	<u>1</u>	<u>1</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

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

The trustees neither received nor waived any remuneration during the year (2020: £Nil)

Key management personnel (this excludes all Company directors/trustees) received remuneration of £194,792 during the year (2020: £191,006) including pension costs.

The trustees did not have any expenses reimbursed during the year (2020 - £nil).

### 21 Pensions:

The charity's pension scheme incorporates a SMART salary sacrifice scheme. It was operated by Supertrust until January 2021, and when the provider exited the market, was resumed by Evolve. The new provider achieved Master Trust authorisation from the Pensions Regulator in April 2019. Employer's contributions made to pension schemes were £96,562 (2020: £79,921), recognised as an expense under staff emoluments.

### 22 Deferred income:

	2021	2020
	£	£
At start 01.04.2020	558,220	622,055
Additions during the year	552,151	558,220
Amounts released to income	(558,220)	(622,055)
At end 31.03.2021	<u>552,151</u>	<u>558,220</u>

Deferred income occurs where the entity has raised invoices for a service to be provided in the next financial period. This includes:

**Rent and service charges:** Invoices are raised a month in advance of the rent quarter to be billed.

**Hall Hire:** Bookings made for events occurring in the period after 31st March 2021 (None in this financial year).

**Student fees:** Fees invoices raised at the beginning of the school academic year, but actually pertaining to the next financial year. The academic year crosses 2 financial years, and fees are allocated accordingly. New students awaiting enrolment are also invoiced in advance.

### 23 Restricted Fund Movements

	Opening Balance 01.04.2020	Incoming Resources	Resources Expended	Adjustment	Closing Balance 31.03.2021
	£	£	£	£	£
<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>	822,454				822,454
<b>Maryam Academy</b>	159,131				159,131
<b>Educational Projects</b>					
London East Academy	142,301	749,077	588,276		303,101
Al Mizan	61,528	452,195	428,551	(61,528)	23,644
Evening Madrasah	25,328	58,798	74,909		9,218
	<u>229,157</u>	<u>1,260,070</u>	<u>1,091,736</u>	<u>(61,528)</u>	<u>335,963</u>
<b>General Projects</b>	161,678	-	-	(161,678)	-
Zakat Fitr Fund	9,315	127,236	71,435		65,116
Welfare Funds	114,127	1,333	3,000		112,460
Penny Appeal/EECF Counselling Grants	3,209	39,600	54,478	11,669	-
Archiving Project	7,137	47,589	11,642		43,083
Baraka Khan Visitor Centre	114,701	-	2,640		112,060
Winter Food Campaign (Islamic Relief)	-	13,750	13,121		629
Burial Support	-	79,535	55,071		24,463
Covid 19 Community Support/EECF	-	34,596	9,857		24,738
NHS Community Investment Scheme	-	20,000	-		20,000
Waqf	-		500	500	-
	<u>4,039,658</u>	<u>1,623,709</u>	<u>1,313,480</u>	<u>(211,038)</u>	<u>4,138,847</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

24 Movement in Funds	Unrestricted Fund £	Designated Fund £	Unrestricted Total £	Restricted Fund £	Total Fund £
As at 1 April 2020	626,566	30,874,706	31,501,272	4,039,657	36,540,929
Current year surplus	700,310	-	700,310	310,227	1,010,538
Gains / (losses) on revaluation of Fixed assets	-	-	-	-	-
Current year transfer	(15,712)	226,750	211,038	(211,038)	-
As at 31 March 2021	<u>1,311,164</u>	<u>31,101,456</u>	<u>32,412,620</u>	<u>4,138,847</u>	<u>36,551,467</u>

Total funds include £707,294 (2020: £643,584) debtors receivable. Approximately £31.1m (2020: £29.98m) of designated funds are tied up in building construction and fixed asset additions. As at the balance sheet date the charitable company has £1.3m free reserves for its day to day operations.

### 25 Taxation

The entity is exempt from corporation tax, as it engages in charitable activities. Part of rental income is VATable, and charged at a rate of

### 27 Auditors' Remuneration

	2021 £	2020 £
Auditor's Remuneration for the audit of the charity's annual accounts	<u>11,250</u>	<u>11,250</u>
Fees Payable to the charity's auditor for non-audit services	<u>11,210</u>	<u>11,210</u>

### 28 Contingent Liabilities

The entity had no contingent liabilities as at 31 March 2021 nor at 31 March 2020.

### 29 Related Party Transactions

In December 2020, the Trust made a loan of £400,000 to its subsidiary, ELMT Waqf Ltd, in which Ayub Khan, Mohammed Abdul Malik, and Habibur Rahman share common directorships with ELMT. Dilowar Hussain Khan, an employee, and Director of Finance at ELMT, is also a director of ELMT Waqf Ltd.

The purpose of ELMT Waqf Ltd is to invest funds entrusted by donors in projects that will help sustain the activities of ELMT in the future. ELMT Waqf Ltd completed the purchase of two plots of land at a cost of £379,016 on Welland Way, in Northampton.

ELMT has not generated any returns on the project, since the fund transfer, due to delays in building completion in the lockdown period. None of the directors of ELMT or ELMT Waqf Ltd currently have financial interests associated with either entity.

The loan funds are eliminated on consolidation, as ELMT Waqf Ltd, is a fully owned subsidiary of the East London Mosque Trust

### 30 Volunteers

The charity benefited from work performed by volunteers, including counting of cash collections, and stewarding during Friday prayers, and Ramadan.

### 31 Capital Commitments

The Charity estimates extension work to the Maryam Centre (Phase 3), to cost approximately £2m, but has not contractually committed to this.

### 32 Government grants

The entity received total grants of £949,241 to subsidise workforce retention in the financial year, via the HMRC Job Retention Scheme.

### 33 Donated goods

Gold valued professionally to the value of £37,510 was donated to the Charity in the year.

### 34 Grant making

The entity engaged in grant making activity during the year by funding £2,000 to the Simple Seerah Ltd, for a research publication. The entity held NHS grant funds at year-end, of which £5k will be distributed to the Council of Mosques, as it is believed that they will be able to provide synergies in delivering the project (Awareness around blood and organ donation).

### 35 Zakaat and Fitr

Payments were made after the year-end to several organisations who specialised in these charitable distributions. These included Islamic Relief, Muntada Aid, Human Appeal, Penny Appeal, Eden Care, Islamic Help, Human Relief Foundation, Human Care Initiative, Lonely Orphans, Nessa Foundation, Ummah Welfare Trust, Syria Relief, Radiant Trust, Muslim Rose Welfare, Tawakkulia Foundation UK, Onia Education & Welfare Trust, Jogonnathpur Islamic Society, Muslim Aid, Baytul Maqdis Foundation and the Global Rahmah Foundation.

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 36 Analysis of changes in net debt

The analysis below serves as a note to the consolidated cash flow statement

	At start of year	Cash flows	Acq/disposal of subsidiaries	New finance leases	Fair value movements	Forex movements	Other non- cash changes	At end of year
	£	£	£	£	£	£	£	£
Cash	1,417,011	663,086	-	-	-	-	-	2,080,097
Cash equivalents	-	-	-	-	-	-	-	-
Overdraft facility	-	-	-	-	-	-	-	-
<b>Total cash</b>	<b>1,417,011</b>	<b>663,086</b>						<b>2,080,097</b>
Private loans <1 year	(1,968,373)	74,500	-	-	-	-	-	(1,893,873)
Private loans >1 year	(2,880,773)	(5,800)	-	-	-	-	-	(2,886,573)
Bank loans <1 year	(180,789)	180,789	-	-	-	-	(180,789)	(180,789)
Bank loans >1 year	(930,265)	-	-	-	-	-	134,035	(796,230)
Finance leases	-	-	-	-	-	-	-	-
<b>Total borrowings</b>	<b>(5,960,200)</b>	<b>249,489</b>					<b>(46,754)</b>	<b>(5,757,465)</b>
<b>TOTAL</b>	<b>(4,543,189)</b>	<b>912,576</b>					<b>(46,754)</b>	<b>(3,677,368)</b>

### 37 Serious Incident Report after the Reporting period

The Headteacher of the schools resigned in May 2021 citing ill health. Following concerns over incomplete reconciliations in the schools' cash accounts at year-end, it was discovered after he had left, that there were missing cash funds to the value of £25,390. There is evidence of fraudulent issue of student receipt credit notes during the financial year, in the absence of staff members. This was after staff members had earlier witnessed the collections and recording of the student fee receipts.

A police report was made on 11th August 2021, after the facts of the case were established. A serious incident report has also been filed with the Charities Commission.

M Badrudduza was internally promoted to the role of interim Headteacher for the East London Mosque Schools, as at June 2021.

### 38 Other events after the Reporting period

After the year-end, Eastern Accountants Ltd, and East End Training Ltd, vacated their offices in the LMC Business wing. At the time of signing of accounts, the Business Wing has 3 available office spaces for lease, and new tenants are being sought. Gymnasium space is also vacant in the LMC and the Maryam Centre. Al-Khair Foundation commenced occupancy at investment property at 41 Fieldgate Street, in April 2021.