

EAST LONDON MOSQUE TRUST

(A Company Limited by Guarantee)

Company Registration Number 0468317 ♦ Charity Registration Number. 1122613

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013



ABACUS PARTNERS (LDN) LLP

CHARTERED CERTIFIED ACCOUNTANTS & STATUTORY AUDITORS

UNIT A, ABBOTTS WHARF, 93 STAINSBY ROAD, LONDON E14 6JL

East London Mosque Trust – also known as the East London Mosque and London Muslim Centre

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East London Mosque Trust – also known as the East London Mosque and London Muslim Centre

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2013

The Board of trustees are pleased to present this annual report of the East London Mosque Trust to comply with the requirements of the Companies Act 2006, Charities Act 2011 and the Statement of Recommended Practice (SORP) for charities

LEGAL AND ADMINISTRATIVE INFORMATION

Working Names	East London Mosque, London Muslim Centre	
Company Number	0468317	
Charity Number	1122613	
Trustees / Directors	Dr Muhammad Abdul Bari	(Chairman)
	Mr Muhammad Siddique	(Vice Chairman)
	Mr Muhammad Habibur Rahman	(Vice Chairman)
	Mr Mohammad Ayub Khan	(Secretary)
	Mr Sirajul Islam	(Treasurer)
	Mr Mohammad Abdul Malik	
	Mr Ismail Jama Salah	
	Mr Hasan Siraj Salekin	(appointed on 13 03 13)
	Mr Mohammed Abdur Rahim Kamaly	(appointed on 13 03 13)
	Mr Muhammad Muhib Rahmani	(ceased on 13 03 13)
	Mr Sirajul Islam	(appointed on 13 03 13)
Executive Director	Mr Dilowar Hussain Khan	
Registered and Principal Office	82 - 92 Whitechapel Road, London, E1 1JQ	
Statutory Auditors	Abacus Partners (Ldn) LLP, Unit A, Abbots Wharf, 93 Stainsby Road, London, E14 6JL	
Main Bankers	HSBC, 75 Whitechapel Road, London, E1 1DU Islamic Bank of Britain, 97-99 Whitechapel Road, London, E1 1DT	
Solicitors	Davey Franklin Jones, 10/12 Dollar Street, Cirencester, GL7 2AL	

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is constituted as a company limited by guarantee, incorporated on 11 May 1949, and is registered as a charity with the Charity Commission. The charitable company is governed by its Articles of Association, last amended on 04 June 2013.

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Structure and Management

The members of the Trust elect nine trustees (ten trustees from 2013 AGM onwards) at the Annual General Meeting (AGM) to serve until the next AGM (two year term from 2013 AGM). The elected trustees are entitled to appoint up to six additional members as trustees (five individuals from 2013 onwards). The trustees are also the company directors for the purposes of company law and are also collectively known as the Board of Trustees under its Articles of Association.

The induction process for new trustees is currently informal as they are all members and/or volunteers of the Trust and already familiar with the work and activities. However, during the year there were seminars/ training sessions to ensure members of the new Board of Trustees understand their legal duties and obligations as company directors and charity trustees.

The Board of Trustees is responsible for the strategic direction and policies of the Trust. A smaller committee of the Office Bearers is delegated the task of general management and supervision of the Executive Director, who is employed by the Board of Trustees to manage the day-to-day operations and staff of the Trust.

OBJECTIVES AND ACTIVITIES

The Trust's general objects, as set out in the Articles of Association, are

- A To provide for the erection and maintenance in London of a fitting Mosque to be used by Muslims in London or from any part of the world for worship according to the religion of Islam
- B To facilitate for the religious, spiritual and educational needs of the Muslim community of London and beyond,
- C To improve the social, educational, environmental and economic conditions of the Muslim community of London and beyond,
- D To co-operate and collaborate with other communities and organisations to combat social ills, work for the common good and to enhance community cohesion,
- E To support charitable initiatives which benefit humanity

The Trust has continued to provide the regular services and activities as part of its general role as a mosque and community centre. Details of the specific services and activities like the school, counselling service, library, service for deaf people, circumcision and other community services, and the projects delivered in partnership with others are available in the separate Annual Report.

Many of the services and activities are delivered with the dedicated and active support of the Trust members and the Jamiat-ul-Muslimin, the official forum of the Trust's volunteers. The Trust members, Jamiat-ul-Muslimin affiliates, and other service users who also volunteer, all provide their time without any remuneration or financial benefit.

Objectives for the year The Board of Trustees decided on the following as the key objectives for this year, as part of its strategy to continue and improve the effective delivery of its existing services and projects, and the development of the new services to be facilitated in the new Maryam Centre

Governance and Administration	Revise governing documents in line with company law and charity commission regulations and devise relevant policies to provide strategic guidance
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	Conduct organisational review to improve efficiency and effectiveness
Services and Projects	Implement efficiencies in line with budgetary impacts caused through austerity measures of funding sources Re-organise staffing and services in preparation of proposed services to be suited at the Maryam Centre
Maryam Centre Development	Complete the construction of the Maryam Centre
Fundraising	Maintain targeted fundraising activities to support projects as well as meet development costs of Phase Two
Networking and Engagement	Develop relationships and partnerships with other organisations which achieve common good
Premises	Maintain a schedule of improvements to ELMT facilities

ACHIEVEMENTS AND PERFORMANCE

This was a challenging yet exciting year as we neared the completion of the Maryam Centre. Ramadan coincided with the Olympics 2012, presenting both challenges and opportunities, we opened our doors to tourists and presented a month long exhibition in the London Muslim Centre. In partnership with The East London Citizens Organisation (TELCO) and other Muslim organisations we organised a Citizens Iftar (breaking of the fast), attended by around 600 people of all faiths and none, including some Muslim athletes and their families.

We rushed to make the unfinished ground floor of the Maryam Centre temporarily usable for Ramadan 2012. Many logistical and technical issues had to be addressed to make this possible. This increased the prayer capacity and gave people a sense of progress as we prayed in the new building for the first time.

Over the year the number of worshippers has increased. On a typical day (apart from Friday) well over 3000 people visit the mosque for prayers alone, rising to over 7000 on a Friday. The weekly footfall more than doubles in Ramadan.

The demand for the Imams' advice continues to increase, so we have decided to employ another Imam to meet the growing need.

The educational projects and services have performed well. Our full time schools, Al Mizan and the London East Academy, performed consistently in both academic and religious studies. We started a process to review the Evening Madrasah to improve the quality of education and make it financially sustainable. Unfortunately, we had to close the Al Baseera Institute for Arabic and Islamic Studies (for adults) as it was financially difficult to sustain. We have now appointed a third party to provide this service.

We continue to improve our relationships with our neighbours, with people of other faiths and none, by opening our facilities and engaging in various forums and events. In the last National Inter-faith Week, through the Imams and Rabbis Council, we hosted an event called 'Meet the Rabbis' at the London Muslim Centre. Around 40 local Imams attended the event, where the Rabbis gave a presentation on Judaism and answered questions from the Imams. The following week our Imams, along with others, gave a presentation about Islam to many Rabbis at a Synagogue.

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We have been actively involved with London Citizens, Faiths Forum for London, Tower Hamlets Interfaith Forum, and All Faiths and None. We regularly participated in the Tower Hamlets Council Community Tension Monitoring Group meetings.

We organised a very successful 'Run 4 Your Mosque' event for the first time in May 2012. Around 800 registered for the run and we rose in pledges £200K. Through fundraising appeals on Channel 5 and the 27th night of Ramadan we received pledges of about £500K. We have to invest a lot of staff time to follow up the pledges.

In January 2013 we appointed a consultant to conduct an organisational review of ELMT and give recommendations as to how we can improve our effectiveness and efficiency. We updated our statements outlining our beliefs, values, vision and mission.

We revised our Articles of Association in line with the latest company and charity law and Charity Commission guidance. The renamed ELMT Board of Trustees will be elected for 2 years from the next session.

Related Parties

The Trust's tenants and leaseholders have a purely commercial relationship. Where a project or business helps to deliver services that are part of the Trust's objectives, this is recognised with either reduced rent or hall hire fees. Names of key partners and service providers are mentioned in the detailed Annual Report. There are also two separate common controlled entities "London Muslim Centre"- (dormant co no-06924077) and ELM Educational Trust (dormant co no-08077078).

Public Benefit

The core services of the organisation are accessed free of charge, the projects that are publically funded are similarly free to access. The Trust provides its facilities for hire at competitive rates and provides significant discounts to charities and community initiatives, thus ensuring accessibility for all. The Trust also provides assistance to those in financial difficulties through its Zakat and Zakat Al Fitr funds (welfare fund).

The Trust regularly engages in direct feedback from stakeholders to ensure that it is responding to local needs in the most efficient and effective way.

Risk Management

The Trust's general Business Plan and the Maryam Centre Business Plan identify risks associated with the activities of the organisation. The Trustees have also reviewed the Trust's position with respect to income, expenditure, staffing levels, reputation, etc, and are satisfied that appropriate measures are in place to mitigate identified risks. More controlled and informed management strategies are in place to ensure those above. The Trustees have resolved to keep the reserves policy under review. Insurance cover is also in place along with appropriate Criminal Records Bureau Checks (CRB), for all those who work with children and vulnerable groups within the Trust.

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FINANCIAL AND BUSINESS REVIEW

Principal Funding Sources

The primary source of income is general donations through the Friday and other daily collections of £0.68m (£0.51m in 2012) and the hire fees charged for room and hall bookings of £0.21m (£0.18m in 2012). In addition to this, there were donations and fundraising activities income of £0.82m received for the new Maryam Centre development, which was higher than last year (£0.75m).

With regards to restricted income, these are either the fees or donations received for individual projects like the London East Academy (£0.50m), Al Mizan School (£0.27m), or specific grants received from funders to deliver projects.

Overall, the Trust's income was higher this year at £2.61m compared to last year's income of £2.33m (excluding LEA and Al Mizan). The Statement of Financial Activities provides more details of other income sources and figures, and the names of grant-making bodies, as applicable.

Reserves Policy

The Board of Trustees have adopted a reserves policy to hold the equivalent of three months' operational expenditure in reserve (£0.35m). The actual free reserves in current assets at the end of the year was £0.9m excluding all restricted funds. The Board of Trustees considers the reserve policy to be adequate as the giving tradition is strong in such a faith-based organisation.

The Maryam Centre fund is in deficit due to the capital payments required. To help manage the cash flow for the development funds of the London Muslim Centre and the Maryam Centre (Phase 2), the Trust has a 'private loan' fund (referred to as Qard Al Hasan). This fund currently stands at £4.62m at the financial year end. Repayments to the well-wishers providing this Qard Al Hasan are currently much less than the new loans received. The Board of Trustees considers that net repayment of Qard Hasan within next 12 months will be 10% of the year ending balance i.e. £0.46m.

Investment Policy

The Trust considers the buildings to be part of its investment strategy, in particular the retail units and office spaces in the LMC Business Wing, along with the hiring of premises for private functions, all provide the income required to maintain and subsidise services. In line with this strategy the trust bought a freehold residential property this year at a cost of £189,141.

The trust also invested 0.5m to OASIS in December 2012, a shariah compliant investment fund and as at balance sheet date this investment made an unrealised gain of £38,847 (note-4(b)). Such fund by their nature is more risky than the low risk property investments. All other cash reserves are held in deposit accounts, and any bank interest received is allocated to our welfare fund, as per Islamic guidelines, and any profit from the Islamic Bank are included in Trust's main fund.

Plan for Future Periods

Our challenges for next year include setting up projects and services in the Maryam Centre, particularly the secondary school for girls which we have promised the community.

However, our biggest challenge following the completion of the Maryam Centre will be clearing our debt, we have to allocate resources for raising funds for the foreseeable future.

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The organisational review that began at the start of 2013 will be followed through, as we improve our structures, governance, staffing and policies. The incorporation into our Articles of Association of the latest legislative requirements and Charity Commission guidance puts us on the firmest possible footing, and the change from a one- to two-year term for trustees from 2013 will create more stability.

Protecting our reputation is a priority. When occasionally articles appear in the mainstream media that misrepresent the ELMT, we respond as soon as possible to ensure they are given the correct information.

After the Woolwich incident in May 2013 many Mosques and Islamic Centres were attacked by anti-Muslim individuals and groups such as the EDL. We have to be more vigilant and improve our security to protect our buildings from potential attacks, and we continue to liaise closely with the Police, community organisations and other faith groups to stand against extremism.

Statement of Board of Trustees Responsibilities

Company and charity law requires the Board of 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 its incoming resources and application of resources for the financial year. In preparing those financial statements, the Board of Trustees should follow best practice and

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- 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 proper accounting records which 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 the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

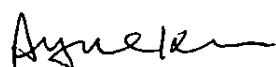
In accordance with company law, as the company's directors, we declare that

- there is no relevant audit information of which the company's auditors are unaware, and
- as the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Abacus Partners (Ldn) LLP acted as the charitable company's auditors and they have expressed their willingness to continue in that capacity.

This report was approved by the Board of Trustees on 28 September 2013 and signed on its behalf by



Mr Mohammad Ayub Khan
Trust Secretary (Company Director)

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

We have audited the financial statements of the East London Mosque Trust for the year ended 31 March 2013, which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related Notes. The financial statements framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trust's members, as a body, in accordance with the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters 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 Trust and Trust's members as a body, for our audit work, for this report or the opinion we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Statement of Board of Trustees Responsibilities on page 8, the Board of Trustees (who are the trustees for the purposes of charity law and company directors for the purposes of company law) is responsible for preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accepted Accounting Standards (UKGAAP), and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Trust has not kept adequate accounting records, if the Trust's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to the other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

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financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements



N A Chowdhury FCCA (Senior Statutory Auditor)
for and on behalf of Abacus Partners (Ldn) LLP, Statutory Auditors
Unit A, Abbots Wharf, 93 Stainsby Road, London, E14 6JL

28 September 2013

EAST LONDON MOSQUE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Restricted 2013 £	Unrestricted 2013 £	Total 2013 £	Total 2012 £
INCOMING RESOURCES					
Friday collection			229,033	229,033	214,774
Donations (ELM & Phase 2)			1,011,816	1,011,816	859,094
User group contribution			42,760	42,760	41,520
ELM rent & management fees			67,824	67,824	41,805
Sale of Calendar			9,755	9,755	12,839
London East Academy	9	504,002	-	504,002	508,684
Al Mizan School	8	268,882	-	268,882	257,609
ELM Evening Madrasa	10	94,873	-	94,873	92,249
Al Baseera	11	5,043	-	5,043	33,813
London Muslim Centre (LMC)	2		646,532	646,532	618,098
ELM-LMC Projects	7	180,118	-	180,118	150,152
Direct fundraising activities			88,314	88,314	58,314
Treasury deposits profit			42,419	42,419	8,742
DPI income			16,194	16,194	-
Welfare fund	12	26,672		26,672	10,192
Sundry income			63,795	63,795	54,288
Charity tax relief (Gift Aid)			18,164	18,164	76,954
INCOMING RESOURCES BEFORE ZAKAT & FITRA		1,079,590	2,236,606	3,316,196	3,039,127
Zakat & Zakat Al Fitr collection		70,456		70,456	55,319
TOTAL INCOMING RESOURCES		1,150,046	2,236,606	3,386,652	3,094,446
RESOURCES EXPENDED					
Salaries & National Insurance	3		503,986	503,986	692,761
General rates and water			26,493	26,493	42,194
Premises insurance			15,733	15,733	16,567
Gas & electricity			86,979	86,979	76,476
Telephone & fax			8,374	8,374	13,619
Computer and IT maintenance			1,686	1,686	2,896
Repairs & maintenance			87,439	87,439	95,189
Printing and publicity			19,549	19,549	21,000
Cost of calendar			6,890	6,890	10,790
Postage & stationery			4,619	4,619	5,501
Hall & equipment hire			-	-	1,470
Cleaning & support service			191,292	191,292	38,312
Payroll services			2,000	2,000	1,700
ELM-LMC Projects	7	171,885		171,885	192,626
London East Academy	9	440,932		440,932	421,771
Al Mizan School	8	230,587		230,587	263,994
ELM Evening Madrasa	10	85,881		85,881	81,584
Al Baseera	11	13,523		13,523	31,323
Welfare Fund expenses	12	4,004		4,004	3,186
DPI expenses			7,427	7,427	-
Legal & professional costs			32,302	32,302	24,806
Direct fundraising activities			31,544	31,544	29,293
Fundraising campaign & advertising			64,891	64,891	31,624
Depreciation			58,818	58,818	50,011
Sundry expenses			43,792	43,792	34,638
Bank commission and finance charges			106,410	106,410	867
Bookkeeping & accountancy			12,208	12,208	11,272
Auditors' remuneration			7,712	7,712	7,092
RESOURCES EXPENDED BEFORE ZAKAT & FITRA		946,812	1,320,144	2,266,956	2,202,562
Zakat & Zakat Al Fitr distribution		75,608		75,608	56,292
TOTAL RESOURCES EXPENDED		1,022,420	1,320,144	2,342,564	2,258,854
NET INCOME /DEFICIT FOR THE YEAR		127,626	916,462	1,044,088	835,592
Fund movement	13	-107,823	107,823	-	-
Funds as at 1 April 2012		2,851,734	13,492,562	16,344,296	15,508,704
Funds as at 31 March 2013		2,871,537	14,516,847	17,388,384	16,344,296

The notes on pages 14 to 20 form part of these accounts

EAST LONDON MOSQUE TRUST

BALANCE SHEET AS AT 31 MARCH 2013

	Notes	£	Total 2013 £	Total 2012 £
FIXED ASSETS				
Tangible Assets	4(a)			
Freehold properties at cost			3,220,367	3,031,226
LMC and Phase 2			17,790,821	14,590,234
Long Leasehold			658,048	658,048
Fixture, fittings and equipment			<u>326,692</u>	<u>283,399</u>
			21,995,928	18,562,907
Investments	4(b)		<u>500,000</u>	<u>0</u>
			22,495,928	18,562,907
CURRENT ASSETS				
Stock		7,987		2,649
Debtors & prepayments	5	539,078		234,979
Cash at bank & in hand		<u>3,113,304</u>		<u>2,737,507</u>
		3,660,369		2,975,135
CREDITORS				
Amount falling due within one year	6(a)	<u>2,306,123</u>		<u>1,192,838</u>
NET CURRENT ASSETS/(LIABILITIES)			1,354,246	1,782,297
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,850,174</u>	<u>20,345,204</u>
CREDITORS				
Amount falling due > one year	6(b)		6,461,790	4,000,908
TOTAL NET ASSETS			<u><u>17,388,384</u></u>	<u><u>16,344,296</u></u>
FUNDS				
Restricted funds			2,871,537	2,851,734
Unrestricted funds			14,516,847	13,492,562
TOTAL FUND	0		<u><u>17,388,384</u></u>	<u><u>16,344,296</u></u>

Approved by the Board of Trustees on 28 September 2013 and signed on it's behalf by

Dr M A Ban 
Chair of Trustees (Directors)

The notes on pages 14 to 20 form part of these accounts

EAST LONDON MOSQUE TRUST

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	2013 £	2012 £
Cash Generated from Operation		
Operating Profit	1,044,089	835,592
Depreciation	58,818	50,011
Decrease/(Increase) in stock	(5,338)	(2,649)
Decrease/(Increase) in Debtors	(304,099)	5,222
Increase/(Decrease) in Creditors	<u>999,667</u>	<u>201,474</u>
	1,793,137	1,089,650
Application of Cash		
Purchase of Tangible Fixed Assets	(3,491,839)	(1,074,836)
Listed investments	(500,000)	-
Net increase/(repayment) of Qard Al Hasana	<u>2,574,116</u>	<u>1,005,753</u>
Net Increase In cash	375,414	1,020,567
Opening Cash & Cash Equivalent		
less O/D	<u>2,737,508</u>	<u>1,716,941</u>
Closing Balance	<u><u>3,112,922</u></u>	<u><u>2,737,508</u></u>
Reconciliation		
Cash at bank and in hand less bank o/d	3,112,922	2,737,508
Treasury Deposit	<u>-</u>	<u>-</u>
	<u><u>3,112,922</u></u>	<u><u>2,737,508</u></u>

The notes on pages 14 to 20 form part of these accounts

EAST LONDON MOSQUE TRUST

**Notes to the financial statements
for the year ended 31 March 2013**

1 Accounting Policies

11 Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, Statements of Recommended Practice and UK Generally Accepted Accounting Practice for Charitable Companies

12 Donations / Grants receivable

All donations received are treated as unrestricted funds unless stated otherwise

Grants / Donations for immediate expenditure are accounted for when they become receivable

Grants / Donations received for specific purposes are treated as restricted funds

Grants / Donations restricted to future accounting period are deferred and recognized in those periods

1.3 Allocation of cost

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

14 Tangible fixed assets and depreciation

Freehold and long leasehold properties have not been depreciated as values are appreciating and market value is more than book value. Also no revaluation of investment properties have been considered as it is expensive. This is a departure from FRS 15 and SSAP 19.

Fixed assets for the charity use are capitalised at cost. They 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:

Fixture, fittings and equipment

15% reducing balance

2	London Muslim Centre		2013		2012
		£	£	£	£
	Rent and service charges		366,528		355,724
	LMC hall hire		210,751		176,696
	Donations		69,253		85,678
			<u>646,532</u>		<u>618,098</u>
3	Staff Emoluments		2013		2012
			£		£
	Total salaries		1,057,870		1,352,271
	Employer's NIC		75,571		108,561
			<u>1,133,441</u>		<u>1,460,832</u>
	Direct Charitable		629,455		768,071
	Admin	277,427		280,895	
	General Charitable	<u>226,559</u>	503,986	<u>411,866</u>	692,761
			<u>1,133,441</u>		<u>1,460,832</u>
	Avg No of employees Admin		13		12
	Avg No of employees Direct		94		99
			<u>107</u>		<u>111</u>
	Employees paid in excess of £60,000 during the current year and previous year		None		None

No trustees were remunerated during the year, however a junior employee Mr M A Khan received £14,733 (£18,897- 2012) as salary, who is the brother of trustee Mr Mohammad Ayub Khan

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Notes to the financial statements for the year ended 31 March 2013

4(a) Tangible Fixed Assets

	Freehold Properties £	Longlease Properties £	LMC Buildings £	Phase 2 Buildings £	Fixture, fitting & equipment £	Total £
Cost						
At 1 April 2012	3,031,226	658,048	976,686	4,823,374	752,504	19,032,012
Addition	189,141			3,200,587	102,111	3,491,839
	<u>3,220,367</u>	<u>658,048</u>	<u>9,766,860</u>	<u>8,023,961</u>	<u>854,615</u>	<u>22,523,851</u>
Depreciation						
At 1 April 2012					469,105	469,105
Charge for the year					58,818	58,818
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>527,923</u>	<u>527,923</u>
Net Book Value						
As at 31 March 2013	<u>3,220,367</u>	<u>658,048</u>	<u>9,766,860</u>	<u>8,023,961</u>	<u>326,692</u>	<u>21,995,928</u>
As at 31 March 2012	<u>3,031,226</u>	<u>658,048</u>	<u>9,766,860</u>	<u>4,823,374</u>	<u>283,399</u>	<u>18,562,907</u>

4(b) Fixed assets investments

	2013 £
Opening market value as at 07 12 2012 (OASIS)	500,000
Matured during the year	nil
Unrealised gain/ (loss) for the period	38,847
Closing market value as at 31 03 2013	<u>538,847</u>
Historical cost of investment	<u>500,000</u>

5 Debtors & prepayments

	2013 £	2012 £
Prepayments	65,280	35,855
Rent & others	348,792	199,124
Student Fees	125,006	0
	<u>539,078</u>	<u>234,979</u>

6(a) Creditors Falling due within one year

	2013 £	2012 £
Other taxes and social security costs	37,425	9,054
Trade creditors	820,598	173,503
Advance rent & deposits	58,066	61,440
Advance tuition fees	434,775	332,229
Accruals & deferred income	397,096	172,067
IBB Loan	96,112	
Private Loan (Qard Al Hasana)	461,667	444,545
Bank overdraft	384	-
	<u>2,306,123</u>	<u>1,192,838</u>

6(b) Creditors Falling due after more than one year

	2013 £	2012 £
IBB Loan	2,306,684	
Private Loan (Qard Al Hasana)	4,155,106	4,000,908
	<u>6,461,790</u>	

Private Loans These are interest-free loans provided by well-wishers. The trust gives no security for these loans, referred as "Qard Al Hasana" in Islamic terminology, but under a moral obligation to repay on demand if possible.

EAST LONDON MOSQUE TRUST

Notes to the financial statements
for the year ended 31 March 2013

7

ELM-LMC PROJECTS

(All Restricted)

	2013	2012
	£	£
INCOMING RESOURCES		
LBTH - ISAP	31,667	25,000
Schools SLA - ISAP	43,060	37,560
LBTH -Community Cohesion	40,000	36,800
THPCT -Faith in health	53,000	50,000
Sundry income	12,391	792
	<u>180,118</u>	<u>150,152</u>
RESOURCES EXPENDED		
Direct charitable expenses		
ISAP		
Salaries and national insurance	65,601	71,880
Telephone, fax & internet	520	605
Printing, postage & stationery	32	128
Subscription/training	33	-
Rent & management fees	22,527	16,568
Repairs & maintenance	-	62
Travel & sports/recreation	-	106
Bank charges	490	-
Refreshments & prizes	405	178
Bookkeeping & Accountancy	1,750	2,000
	<u>91,358</u>	<u>91,527</u>
FAITH IN HEALTH		
Salaries and national insurance	28,135	31,266
Telephone & internet	657	901
Printing, postage & stationery	769	402
Publicity & advertising	2,321	1,913
Repairs and maintenance	-	152
Events catering/workshop	5,954	2,291
Refreshments & sundries	349	4
Training & consultancy	-	774
Travelling	908	1,174
Accountancy	1,000	1,000
	<u>40,093</u>	<u>39,877</u>
COMMUNITY COHESION/WOMEN'S LINK		
Salaries and national insurance	40,434	46,541
LDA WAY TO WORK		
Wages and national insurance		2,011
Travelling		3
Sundry expenses		96
Bookkeeping & accountancy		200
		<u>2,310</u>
Earlier Proviso correction		12,371
Total expenses in ELM-LMC projects	<u>171,885</u>	<u>192,626</u>
Surplus/Deficit for the year	8,233	(42,474)
Funds as at 1 April 2012	253,209	295,683
Funds as at 31 March 2013	<u>261,442</u>	<u>253,209</u>

EAST LONDON MOSQUE TRUST

Notes to the financial statements for the year ended 31 March 2013

8

AL-MIZAN SCHOOL

	2013	2012
	£	£
Fees income	254,584	248,503
Other receipts and donations	<u>14,298</u>	<u>9,106</u>
	268,882	257,609
Less Expenses		
Salaries and national insurance	193,970	221,802
Support service	1,688	5,650
Gas, elect, water, cleaning & insurance	17,836	17,527
Small equipment & repairs	0	913
Postage, stationery & advertising	292	2,793
Professional Fees	200	0
Books & Educational materials	6,068	3,147
School trips and travelling	4,037	1,560
Sports hall & equipment hire	4,024	7,300
Accountancy & bookkeeping	880	780
Event catering, refreshments & prizes	1,124	2,466
Bank charges	<u>468</u>	<u>56</u>
Total expenses for the year	230,587	263,994
Surplus/deficit for the year	38,295	(6,385)
Balance b/fwd	<u>(109,662)</u>	<u>(103,277)</u>
	<u>(71,367)</u>	<u>(109,662)</u>

EAST LONDON MOSQUE TRUST

Notes to the financial statements for the year ended 31 March 2013

9

LONDON EAST ACADEMY

	2013	2012
	£	£
Fees income	455,722	466,779
Donations	2,781	7,175
School trips, tahfiz fees, book sales etc	24,673	22,843
Grants and Sponsorship	5,576	-
Exam & entry fees	15,250	11,887
	<u>504,002</u>	<u>508,684</u>
Less Expenses		
salaries and national insurance	359,760	309,474
Support service and professional fees	6,152	19,748
Gas,elect,water,cleaing & insurance (LMC)	21,800	21,421
Training,examination fees etc	2,781	15,281
Sports centre & equipments hire	7,166	3,344
Small equipment & IT maintenance	3,068	-
Telephone	1,312	1,734
Repairs, maintenance & cleaning	2,675	2,877
Printing, postage & stationery	4,392	8,205
Books & educational materials	11,569	9,036
Bookkeeping & Accountancy	1,455	950
Gifts,regreshments etc	2,453	5,572
Bank charges	762	24
School trips & travelling	8,074	23,835
Subscriptions	235	270
Consultancy & Professional Fees	1,800	-
Graduation Ceremony Expenses	5,478	-
Total expenses for the year	<u>440,932</u>	<u>421,771</u>
Surplus/deficit for the year	63,070	86,913
Balance B/fwd	<u>76,767</u>	<u>(10,146)</u>
	<u>139,837</u>	<u>76,767</u>

EAST LONDON MOSQUE TRUST

Notes to the financial statements
for the year ended 31 March 2013

10

EVENING MADRASHA

	2013	2012
	£	£
Fees income	94,873	92,249
Less Expenses		
Salaries and national insurance	71,658	32,908
Support service	1,706	46,518
Rent	10,000	0
Printing, postage and stationery	301	386
Minor repairs		123
Gifts and prizes	682	358
CRB checks and travelling	264	300
Payroll services	450	0
Accountancy & bookkeeping	600	600
Refreshments	197	391
Sundries	23	
Total expenses for the year	<u>85,881</u>	<u>81,584</u>
Surplus/deficit for the year	8,992	10,665
Balance B/fwd	<u>10,665</u>	<u>0</u>
Balance C/fwd	<u><u>19,657</u></u>	<u><u>10,665</u></u>

11

AL BASEERA

	2013	2012
	£	£
Fees income	5,043	32,425
Others	<u>0</u>	<u>1,388</u>
	5,043	33,813
Less Expenses		
Salaries and national insurance	10,714	10,896
Support service	2,597	16,019
Printing, postage and stationery	73	1,145
Telephone	60	297
Projector O/H		2,400
Accountancy & bookkeeping	50	500
Sundries	<u>29</u>	<u>66</u>
Total expenses for the year	<u>13,523</u>	<u>31,323</u>
Surplus/deficit for the year	-8,480	2,490
Balance b/fwd	<u>2,490</u>	<u>0</u>
Funded by ELM-LMC	<u><u>-5,990</u></u>	<u><u>2,490</u></u>

Al Baseera ceased operation in September 2012

EAST LONDON MOSQUE TRUST

Notes to the financial statements for the year ended 31 March 2013

12

WELFARE FUND

	2013 £	2012 £
Income received-donations	26,672	10,192
Others	-	-
	<u>26,672</u>	<u>10,192</u>
Less		
Sundry donations/expenses	4,000	-
Bank charges	4	3,186
Welfare a/c- expenses	<u>4,004</u>	<u>3,186</u>
Current year surplus/deficit	22,668	7,006
Balance b/fwd	72,276	65,270
Fund movement	23	-
Balance c/fwd	<u><u>94,967</u></u>	<u><u>72,276</u></u>

13 Movement in Funds

	Unrestricted Fund £	Designated Fund £	Unrestricted Total £	Restricted Fund £	Total Fund £
As at 1 April 2012	1,469,150	12,023,412	13,492,562	2,851,734	16,344,296
Current year	916,462	-	916,462	127,626	1,044,088
Current year transfer	107,823	-	107,823	(107,823)	-
As at 31 March 2013	<u>2,493,435</u>	<u>12,023,412</u>	<u>14,516,847</u>	<u>2,871,537</u>	<u>17,388,384</u>

Total funds include £473,798 (2012- £199,124) debtors receivable. Approximately £12m of designated fund tied up with ELM, LMC & PII construction and fixed assets additions. Free reserve available was £0.9m as explained in under reserves policy.

14 Taxations

The entity is a registered charitable company and does not undertake non-primary purpose trading activities and is entitled for tax exemption by HMRC.

15 Post Balance Sheet Events

There were no significant post balance sheet events.

16 Contingent Liabilities

The charitable company had no contingent liabilities as at 31 March 2013 nor as at 31 March 2012.

17 Related Parties Transaction

There were no related party transactions during the financial year.

18 Financial Commitments

The charity agreed a revised contract of £9.4m with Bamfords Trust Plc of 4 Park Square West, Regent Park London NW1 4LJ to build an extension called the "Maryam Centre" (Phase II) to create extra prayer halls and dedicated women's facilities. As at 31 March 2013 the charity owes £1.62m to the contractor, which is paid in full by the signing date of Financial Statements.