

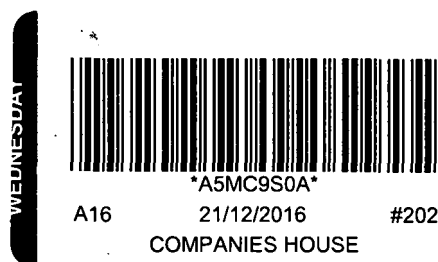
# EAST LONDON MOSQUE TRUST

(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 2016



**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>	
Objects and Public Benefit	4
Activities	4
<b>Strategic Report</b>	
Achievements and Performance	5
Plans for the future	11
Financial Review	12
<b>Structure, Governance and Management</b>	
Statement of Trustees' Responsibilities	15
<b>Independent Auditor's Report</b>	15 - 17
<b>Statement of Financial Activities</b>	18
<b>Balance Sheet</b>	19
<b>Cash Flow Statement</b>	20
<b>Notes to the Financial Statements</b>	21 - 30

<b>Registered Name</b>	East London Mosque Trust	
<b>Working Names</b>	East London Mosque London Muslim Centre	
<b>Company Number</b>	0468317	
<b>Charity Number</b>	1122613	
<b>Trustees (Directors)</b>	Muhammad Habibur Rahman	(Chairman)
	Muhammad Siddique	(Vice Chairman)
	Ayub Khan	(Honorary Secretary)
	Abdul Malik	(Treasurer)
	Muhammad Abdul Bari	
	Sirajul Islam	
	Ismail Jama Salah	<i>until Sep 2015</i>
	Hasan Siraj Salekin	<i>until Sep 2015</i>
	Mohammed Abdur Rahim Kamaly	
	Rahela Chowdhury	
	Sirajul Islam (Hira)	
	Shafiur Rahman	
	Sayedra Anzumara Begum	
	Mazhar Baqaullah Khan	
	Abdul-Hayee Murshad	<i>from Sep 2015</i>
	Mahera Ruby	<i>from Sep 2015</i>
	Aman Ali	<i>from Sep 2015</i>
<b>Company Secretary</b>	Ayub Khan	
<b>Executive 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.	
<b>Solicitors</b>	Saunders Roberts, 1 Crown Court Yard, Bridge Street, Evesham, WR11 4RY	

## TRUSTEES' ANNUAL REPORT

### OBJECTS AND PUBLIC BENEFIT

East London Mosque Trust's objects, as set out in its Articles of Association, are to:

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

In pursuance of its charitable objects, the East London Mosque Trust (Trust) hosts a wide range of services and activities that the trustees consider provide benefit for the public.

### ACTIVITIES

Over the years, the Trust has expanded, with its facilities now including the London Muslim Centre and the Maryam Centre as part of one large complex. As one of the largest and busiest mosques and Islamic community centres in the UK, we ensure our facilities are available every day of the year. They are accessible for men, women and children, including those with disabilities. We aim to provide a comfortable, clean and welcoming environment not only for the performance of the five daily prayers, but also for people to learn about the religion of Islam.

Education is a vital part of our work, so we host a wide range of educational activities for children and adults, including full-time schools, supplementary education, and evening and weekend classes, with careful attention to safeguarding.

The Mosque is the hub for a wide range of services of benefit to local communities, both Muslim and non-Muslim. Some of these we deliver in partnership with other agencies, where we aim to complement rather than duplicate what is available elsewhere. Forging relationships with others for the common good has become a hallmark of our work, and an example that many other mosques now follow. This is especially true of our varied interfaith work, and our ground-breaking work with Citizens UK.

Our location and facilities make us ideally placed to invite non-Muslims to visit the mosque to learn about Islam and Muslims. Our Visitor Centre offers a view of the congregational prayers, whilst staff and volunteers help to deliver a friendly, informed experience. We promote community cohesion through dialogue and social interactions, and improve the image of the Trust in the wider society by challenging any negative media coverage and by promoting the activities of the Trust.

Some of our halls and rooms are available for hire, for weddings, conference, lectures, and so on, providing both a community benefit and a source of income. Hirers must adhere to the Trust's hiring policy and, where applicable, our Event & Speakers policy, to ensure our facilities are used in accordance with our charitable objects, and in a manner, that doesn't harm our reputation.

Our large congregation is very generous, so we regularly allow UK registered charities to raise funds for their good causes. In Ramadan, this increases significantly, and we receive more applications than we can cater for.

### **Volunteering**

Jamiatul-ul-Muslimin, the Trust's historic volunteer partner, is no longer a separate entity, but is now an integral part of the Trust. Its volunteers, now the Trust's volunteers, continue to provide stewarding for Friday prayers, Ramadan, Eid and on other special occasions. During the year, volunteers received training on how to improve 'customer service'. There are up to 40 active volunteers who give approximately 2 hours per week, which increases to 3 hours per day in Ramadan. Their contribution of time is thus estimated to save the Trust around £50,000 per annum. We are grateful for their selfless dedication and contribution.

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

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

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

The Trust monitors attendance figures, which are a good indicator of how services are valued. It also provides complaint and suggestion boxes, and conducts occasional satisfaction surveys, such as after Ramadan. We take note of third party sources, such as Google My Business where we have an average rating of 4.7 out of 5.

#### Prayer Facilities

The Mosque is open to the public every day from 10am to 10pm (in summer up to midnight). The Trust is currently keeping a daily count of the number of people praying in congregation: the average weekly footfall for prayers is 29,000 people, rising to 61,000 in Ramadan. The Friday Jum'ah prayer attracts on average over 5,000 worshippers from across London. The Friday sermon is delivered in up to three languages, plus BSL for deaf worshippers. Many elderly people and a growing number of women of all ages spend a good part of their daily life in the Mosque complex - reading, performing optional prayers and meeting friends, which reduces loneliness and improves their social life.

#### Religious Teaching

Our Imams deliver religious lectures from the main hall of the Mosque every day of the week. More than 20 circles of religious knowledge are provided every week for men, women and children within the Mosque complex. Many households also listen to prayers and lectures from home through dedicated digital radios; this service has now been extended to the internet and smart phones. The promotion of authentic Islamic teachings helps prevent misunderstanding, aids the spiritual and academic growth of worshippers in a safe environment, and counters extremism.

The Imams regularly deliver training for worshippers on fasting, Zakah (religious almsgiving) and on how to perform Hajj and Umrah (pilgrimage) – around 1000 people attended the Hajj and Umrah training.

### Ramadan & Eid

Ramadan, the busiest time of the year, is a demanding time for staff and volunteers. More than 500 people are provided with free meals for breaking the fast every evening – this service is open to all. Late every evening thousands of worshippers attend special Ramadan prayers; 100,000 water bottles, received as a donation, were distributed to the worshippers. Feedback for our provision in Ramadan has been overwhelmingly positive.

The Mosque held five congregational prayers on each of the two Eid mornings, catering for over 16,000 worshippers on Eid ul-Adha, and over 18,000 worshippers on Eid ul-Fitr, coming from across London and beyond.

### Funerals

Funeral prayers are performed in the Mosque almost on a daily basis, arranged by the independent funeral service based in the premises, and by other local funeral service providers. Families of the deceased receive spiritual care and support from the Imams. The Mosque has facilities to accommodate non-Muslim family members and friends who wish to pay their respects. We have improved the flow for the public viewing of the deceased after the prayer by introducing a one-way system; this has been appreciated by mourners.

### Open Days and Visits to the Mosque

The Mosque hosted three open weekends this year, where information on Islam and Islamic heritage was exhibited for non-Muslim visitors. On *Visit My Mosque* day, held in February 2016 as part of the Muslim Council of Britain's initiative to improve relationships between the Muslim community and wider society, more than 300 non-Muslims visitors were given tours of the Mosque. The Mosque receives visitors every week, and provides information for those interested to know about Islam and Muslims, including schools, higher education institutions and other tour operators. This provides an excellent opportunity to dispel misconceptions as well as creating lasting relationships in wider society. We successfully delivered five cultural awareness courses for professionals working in the public, voluntary and faith sectors. We plan to develop these courses further to address growing Islamophobia and create better understanding of Islam and Muslims. Our course has been accredited by CPD; we are considering seeking accreditation by Ofqual.

## **Education**

### Al Mizan School & London East Academy

The ELMT runs two full-time schools for boys, based in the London Muslim Centre and Maryam Centre. The schools cater for up to 250 pupils, aged 7 to 16. The schools provide a synthesis of National Curriculum and Islamic education, at very low cost to parents, to help ensure that the British Muslim community and its institutions, such as the Trust, continue to benefit from people with authentic Islamic knowledge and values in harmony with their values and role in British society.

Ofsted visited in November 2015 to follow up the inspection of October 2014. Substantial improvements had been made: the London East Academy met all of the required standards, whilst Al Mizan School met all but four, which are since being addressed. The Ofsted reports appear to have adversely affected recruitment of pupils, particularly Al Mizan School, so we have increased marketing of the schools, and are considering making Al Mizan School co-educational.

Both the schools continue to achieve strong academic results in 2015: in Al-Mizan School 96% of pupils achieving level 4+ in Reading, Grammar and Punctuation and Maths, with 88% of students achieving a combined level 4 in Reading, Writing and Mathematics; the London East Academy achieved 100% pass rate in GCSE, with 93% A\* to C including English and Maths. The graduates of this school have moved on to higher education and after completing their education, many of them are contributing for the betterment of the society. An alumni club has been established to keep in touch with former students.

#### Supplementary education

The Trust directly manages a part-time evening school, the ELM Evening Madrasah, every weekday 5–7pm, teaching children basic Islamic knowledge. This particularly appeals to parents of children who attend state schools. The school has a student roll of 190; the number has gone down from last year due to a reduction of two classes as part of restructuring. The governing body for the Evening Madrasah has been re-constituted and is led by trustees to ensure it conforms to all current standards and policies. The Evening Madrasah has been following a new structured syllabus since 2014. The Madrasah is certified by the National Resource Centre for Supplementary Education for the following: code of behaviour, safeguarding policy statement, child protection procedure, health and safety (including risk assessment), registration form for each child, financial rules, accounts, appropriate insurance, etc.

In fulfilment of the Trust's target to increase the number of classes for women and girls by at least 20%, the London Iqra Institute started to operate from the 5<sup>th</sup> floor of the Maryam Centre, specialising in structured Islamic courses for girls. This provision complements the Evening Madrasah, as it mainly caters for 12 to 18 year olds and adult women.

Other supplementary educational projects supported by the Trust and based in its complex include: Saturday Islamic School, Al Shafie Institute, Al Qalam, Jibreel Institute, Rainbow House and Aspiring Minds.

#### Improving School Attendance & Attainment in Partnership (ISAAP)

The project worked to improve the attendance and attainment of children whose attendance was below the national average. It contributed immensely towards the improvement of attendance of children in local primary schools in Tower Hamlets. Grant funding for this project ended on 31<sup>st</sup> August 2015, as the project was successful in significantly lowering local attendance problems. Existing service level agreements with schools continued to run until the end of March 2016. Sadly, we had to make the staff redundant. We are trying to revive and revise the project to meet new needs of local schools, especially in attainment, which have changed over the last decade.

#### **Social Welfare**

The Trust continues to provide and support social welfare services directly and through supported projects.

#### Religious Advice and Support

In addition to leading the five daily congregational prayers, our Imams are always very busy providing advice and guidance on religious issues to the Muslim community. Every week on average over a thousand enquiries are received at the Mosque's reception, ranging from religious advice, education, marriage, family issues, general help and support, and so on. The Trust has recently introduced a new system to monitor the range of enquiries received.

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

#### Legal advice

Pro Bono in the LMC (PBLMC) is a free legal advice service, run by volunteer practising barristers, solicitors and Cilex executives. Where PBLMC is not able to assist, they are able to refer on to other legal help providers. This service is available to those who are unable to afford or obtain legal aid. In the past year, PBLMC gave legal advice in 180 cases.

PBLMC also worked with Maryam Women's Services to address forced marriage within the context of mental capacity, organising a seminar at the Maryam Centre with mental health practitioners, lawyers, the Imam, and families of mentally ill young adults.

PBLMC is in the process of becoming a registered charity. It is proposed that in due course there should be a full time pro bono solicitor at the LMC.

#### Supporting health

The Faith in Health project started 10 years ago, and was positioned uniquely in the Mosque, one of the busiest hubs in the borough. It was greatly admired and appreciated by the community for promoting the health service and healthy living. It regularly organised information stalls in Mosques around the borough, and Health Connex events in the London Muslim Centre. The information disseminated included the basics of choosing the best foods for breaking fast, to recognising early signs of mental health problems. The project reached out to "hard to reach people" in the community.

Unfortunately, due to changes in NHS Trust priorities, funding for this ended in March 2015. However, the Trust continues to work with other health projects to inform and educate the community about health issues and healthy living.

#### Environmental issues

The Trust has continued to work with MADE to promote environmental issues and fair trade. The Mosque was highlighted in a documentary produced by MADE for its efforts to reduce its carbon footprint as part of the Green Mosque project.

#### Services for women

There are more than 20 female user groups of all ages using the facilities in the Maryam Centre on a daily or weekly basis. The Maryam Centre has become a hub for women from the locality and beyond. Many choose to spend a good part of their day in the Maryam Centre. Some attend the women-only gym based on the 6<sup>th</sup> floor, attend educational classes on the 5<sup>th</sup> floor, participate in seminars and events on 3<sup>rd</sup> floor and pray and meet friends on the 2<sup>nd</sup> floor.

#### Supporting charitable causes

The Trust allows UK registered charities to make appeals to the Mosque's congregation for various charitable causes. In the year April 2015 to March 2016 over £210,000 was raised from the congregation. We have improved

the procedures for approving applications by charities to collect funds in our complex. Collection slots are usually allocated at least a month in advance except for emergency disaster appeals.

## Community Cohesion

### Working with others

Unfortunately, Islamophobia has been increasing over the decade, exacerbated by violent incidents such as terrorist attacks around the world, particularly in mainland Europe. We receive hate mail regularly, which is passed to the police. In March 2016 a far-right organisation, 'Britain First', staged several unannounced demonstrations in front of our Mosque. We worked closely with the police and the local authority to reduce the resulting tensions.

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

- London Citizens / The East London Citizens Organisation (TELCO)
- Tower Hamlets Interfaith Forum
- Faiths Forum for London
- The Joseph's Interfaith Foundation /National Imams and Rabbis Council
- Tower Hamlets Tension Monitoring Group
- Faith Regen UK
- Tower Hamlets Council of Mosques
- Unite Against Fascism
- Tower Hamlets Police

The Trust met its target to participate in at least 70% of meetings and events with these organisations.

### Improving Relationships

Our media team regularly monitors any inaccurate reporting about the Trust, and immediately responds to seek corrections. We actively promote the good work we undertake. We hosted a number of high profile events, including a seminar with the Chairman of NHS England, and another with renowned journalist Peter Osborne. Both of these events were attended by hundreds of people from wider society.

The BBC broadcast a documentary, "Welcome to the Mosque", by award-winning filmmaker Robb Leech, who was given access to film at the Mosque for six months. The documentary was well received, and managed to dispel some misconceptions about the Mosque and the Muslim community.

The Trust hosted many visits throughout the year for groups, schools and other voluntary, faith, and statutory organisations. We provided three Muslim cultural awareness sessions for the Guide Dogs Association's staff and volunteers. We have also hosted a Challenge Day for Common Purpose.

A number of information stalls were hosted in the London Muslim Centre for other voluntary, charity and statutory organisations, including a regular stall by the Bangladeshi Stop Smoking campaign.

## Premises

### Purchase of Synagogue building

The purchase of Fieldgate Street Great Synagogue, located between the Mosque and London Muslim Centre, was completed in this reporting period, financed by donations and interest-free loans from local community members. The building is being rented out in the short term, until a full review of its future status and potential use as part of the complex is determined.

### Phase 3 expansion

There has been significant progress in the Phase 3 development of the Mosque in this period. Planning permission was granted for the expansion of the main prayer hall towards the east of the current hall, and work is progressing. This will increase the capacity of the main prayer hall by approximately 350 worshippers, and will include a new ventilation system. Building work will resume in 2017 after completion of the hotel expansion, with a target date of 2018 to finish the new hall.

### Centralised reception

We have not made much progress with the development of a centralised reception. A draft plan was produced, but after further consultation with staff, it is to be reviewed to make it more suitable. Once the spatial planning is complete, proposals will be costed and approved before this initiative progresses further.

### Archive strong room

The archives project made significant progress in this period. The Archives Steering Group (ASG) met regularly and raised £25k towards the development of a strong room in the basement of the Maryam Centre. The design and specification were completed and quotations are being sought from builders. It is planned to complete the works by end of 2016, at a total cost estimated to be around £30k.

The ASG aims to introduce patrons and ambassadors of the archive. A sub bank account has been opened and ASG now wishes to set up standing orders from well-wishers to help with the continuity of the project.

## Governance and Administration

Trustees have completed the recruitment of most of the additional posts recommended in the staff restructuring, including Head of Policy & Programmes, HR Advisor, and Head of Assets & Facilities. After a further review, the post of Head of Finance & HR was put on hold until the new strategic plan has been developed.

The invitation to tender document for the development of the Strategic Plan and Media Strategy was drafted and finalised during this period. We hope to complete the strategic plan by end of December 2016. The Trust is on course to complete its target of 95% of its restructuring by September 2017.

## Fundraising, Income Generation and Investment Performance

The main sources of income for the Trust are investment income and donations from Friday prayers and special occasions, such as Ramadan and Eid.

The focus of our fundraising appeals in this period switched from repaying our interest-free debt to raising funds to purchase the Synagogue building. The budget forecast was that income from fundraising appeals would go down by around 20% from last year, because people have donated for several years for the same project, also because of the appeals from many other mosques in Tower Hamlets. However, voluntary income generated in this reporting period actually increased by 13%.

Unfortunately, the income from activities for generating funds was however reduced by 12% from last year:

The London Muslim Centre is a popular venue for meetings and events because of its convenient location and affordable price. The halls and rooms of the London Muslim Centre and Maryam Centre are primarily used by our schools during the weekdays in term times, and hired by charity organisations and community groups at a discount to promote educational, social and religious activities. They are also popular for Muslim wedding celebrations; however, the number of wedding hires has fallen as many people want facilities with greater capacity. Our target was to increase income from hires by 10%, unfortunately the level decreased by 3% during the year. We believe this is due to the challenge of increased competition locally from other venues, also due to the Trust enforcing stricter hiring conditions. We have taken measures to increase the income from the hall hire by relaxing the preferred caterers list and promoting the halls through advertising in the local media.

Our overall investment income has increased by 27% from last year. This was mainly because of the increase in rental income we received from Maryam Centre and the renting out of 94 Whitechapel Road (part of the Mosque complex) to a local solicitors firm.

The income from our charitable activities (which are mainly restricted) has decreased by 16%. This is mainly due to decrease in student numbers in this period, a direct impact of the failed Ofsted inspection in October 2014. More investment in the schools to meet the required standards, resulted in an increased in school expenditure by 16%. Improvements over the last year is slowly bearing fruit and regaining the confidence of parents in our schools.

Overall, the Trust's income is slightly higher this year, at £3.64m compared to last year's income of £3.60m. The Statement of Financial Activities provides more details of other income sources.

## PLANS FOR THE FUTURE

### Governance and Administration

1. Develop a strategic plan
2. Enhance skills and competence of members, trustees and senior management team
3. Develop a fit for purpose HR system
4. Complete organisational restructuring
5. Manage risks more effectively
6. Make policies and procedures more robust

### Fundraising and Income Generation

1. Raise £800K through fundraising initiatives
2. Increase revenue from tenants, users and hirers by 10%
3. Improve efficiency and effectiveness of donation management system

### Projects and Services

1. Improve full time and part-time educational provisions for children to meet the regulatory standards
2. Reduce duplication of projects and services
3. Limit risk of reputational damage from users
4. Improve the provision of Girl's and Women's Islamic education in the Maryam Centre
5. Develop the capacity and quality of the religious services
6. Improve the experience of visitors and users by providing a professional service by our staff and volunteers

### Developing Relationships / Improving Image

1. Improve relationship civil society and statutory bodies to tackle Islamophobia
2. Improve the image of the Trust in the mainstream society
3. Improve the promotion of balanced and contextual understanding of Islam
4. Improve the Trust's communications and media work

### Assets & Premises

1. Improve visual appearance of the Mosque, increase prayer space, and improves facilities
2. Make optimum utilisation of the synagogue building and plan for its redevelopment
3. Improve the security of the whole complex

## **FINANCIAL REVIEW**

### **Principal Funding Sources**

The Trust raised £1.60m through general donations (£1.40m in 2015), of which £0.49m is restricted to the purchase of the Synagogue building located on 41 Fieldgate Street. The income from investment increased to £0.70m from £0.55m in 2015 due to letting of additional investment properties, the Maryam Centre and renting out of 94 Whitechapel Road.

Restricted income includes the fees or donations received for individual projects like the London East Academy £0.48m (£0.58m in 2015), Al Mizan School £0.26m (£0.28m in 2015), ELM Evening Madrasah £65k (£89k in 2015), and specific grants received from funders to deliver projects.

### **Staff Remuneration**

The Trust implements a pay scale for remuneration of staff. The scale was devised based on a survey of other charities, including Muslim charities, but with an adjustment downwards, especially at management level, as trustees believe the staff most likely to show dedication are those who value spiritual benefit above financial.

### **Investment Policy**

The foremost reason for the Trust to operate an investments policy is to grow its assets so that the returns can be used to further the Trust's aims and activities as well as meet its cost centres. The Board of Trustees reviews the overall financial position of the Trust, 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 not conflicting with Islamic values nor the organisation'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. Up to 60% of the Trust's reserves can be utilised for investment with the proviso that at least three months operational costs can be liquidated within a three-month period.

In line with the Investment Policy, freehold/leasehold residential and commercial properties are held by the Trust, currently generating rental income of around £6,000 per month. The Trust also considers the LMC Business Wing to be a part of its investment strategy, where the businesses and charities based in the building pay rent for the space they occupy.

Other assets are held as cash deposits in bank accounts, generating 'profits' (interest equivalent) or income for 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, if income were to drop to an unsustainably low level. It is currently operating to meet at least three months of liabilities, which is £0.74m. The actual free reserves in current assets at the end of the year were £0.75m, excluding all restricted funds. The Board of Trustees considers the reserves policy to be adequate as the giving tradition is strong in such a faith-based organisation, and there is regular income from its investments.

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

The Trust has identified key risks in the areas of compliance, reputation, financial management, governance and operations. It has met its target to put in place measures to mitigate at least 95% of risks, and trustees are satisfied that these measures, backed by regular review, will 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

A major risk identified by trustees is reputational damage due to negative or malicious media reports. The Trust has a dedicated Media & Communications Officer, supported by its Media Committee, to deal with this, and is able to call on the services of a highly reputable law firm that specialises in reputational matters.

Measures implemented by the Trust since October 2014 have significantly reduced the risk to its reputation and to its full-time educational service following Ofsted's inspections. A strengthened Governing Body, new headteacher, enhanced resources, curriculum review, and thorough review of policies and procedures, have led to all but four standards for independent schools being met at the time of the last Ofsted monitoring visit, with measures now in place to address the remaining four. Risks remain if standards are changed, or if key staff leave, so trustees closely monitor the progress of its schools.

A climate of growing Islamophobia, particularly from far-right extremists, has intensified security concerns. To mitigate increased security risks, trustees have implemented 24-hour security cover, backed by further investment in physical security such as its electronic locking system and CCTV. The Trust has also benefited from expert advice from police counter-terrorism officers, including training for our staff.

The Trust continues to benefit substantially from short-term and medium-term interest-free loans from supporters (Qard Hasanah), which has made it possible to undertake major infrastructure projects such as building the Maryam Centre and, in this period, purchasing the Synagogue building. The Qard Hasanah balance stood at £6.29m (£5.22m in 2015) at the end of this reporting period, the Trust aims to repay this within 10 years. There is a potential risk that we might not have sufficient liquidity to meet an unexpectedly high demand for loan repayments, this would be mitigated by sale of some investment properties. However, as the Trust has an excellent record of income generation, coupled with the willingness of one of the Trust's bankers to provide a long-term bank loan (if required), means that selling fixed assets would be a last resort.

The Trust met its target to carry out risk assessments on all the projects and services based in its facilities.

### **Independent Auditors**

Abacus Partners (Ldn) LLP acted as the Trusts auditors and will continue in office unless decided otherwise by members at the Annual General Meeting.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

The Board of Trustees typically meets every six weeks. Additionally, it has established three principal committees for effective governance:

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

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

A trustee induction procedure outlines steps for vetting trustees, key documents that are considered essential, and expectations for appropriate training. In this session, a training and planning weekend covered what it means to be a trustee, how trustees exercise their powers, managing conflicts of interest and how to take decisions. It also covered risk management, including identifying and assessing risks, then managing and monitoring risks.

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

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

These reports and financial statements have been prepared to comply with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). Company law also requires the Board of Trustees to prepare the Trustees' Annual Report, including the Strategic Report, and the Accounts for each financial year that 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 period. In preparing the financial statements, the Board of Trustees must:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As the charitable company's directors, each Trustee declares 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 in order 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 24<sup>th</sup> September 2016 and signed on its behalf by:

  
Muhammad Habibur Rahman  
Chairman

  
Ayub Khan  
Honorary Secretary

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

We have audited the financial statements of East London Mosque Trust for the year ended 31 March 2016, which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016, 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;

- have been prepared in accordance with the requirements of the Companies Act 2006.

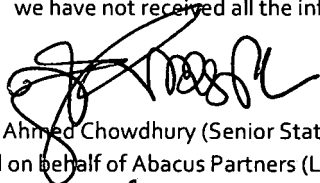
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit.



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

Date: 26 September 2016

**EAST LONDON MOSQUE TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	Unrestricted £	Restricted £	Total 2016 £	Total 2015 £
<b><u>Incoming Resources</u></b>					
Voluntary Income	3	1,153,052	493,908	1,646,960	1,453,198
Activities for Generating Funds	4	316,157	-	316,157	359,810
Investment Income	5	697,612	-	697,612	550,889
Income from Charitable Activities	6	-	919,176	919,176	1,090,722
Others Incoming Resources	7	61,857	-	61,857	145,007
<b>Total Incoming Resources</b>		<b>2,228,678</b>	<b>1,413,084</b>	<b>3,641,762</b>	<b>3,599,626</b>
<b><u>Resources Expended</u></b>					
Cost of Generating Voluntary Income	8	44,434	-	44,434	49,863
Fundraising Costs	9	185,766	-	185,766	185,976
Investment Costs	10	308,773	-	308,773	257,154
Charitable Activities Costs	11	667,377	1,194,186	1,861,563	1,771,766
Support and Governance Costs	12	556,589	1,000.00	557,589	527,755
<b>Total Resources Expended</b>		<b>1,762,939</b>	<b>1,195,186</b>	<b>2,958,125</b>	<b>2,792,514</b>
<b>Net Income/Deficit Before Fund Movements</b>		<b>465,739</b>	<b>217,898</b>	<b>683,637</b>	<b>807,112</b>
Gross Transfer Between Funds	24	(199,940)	199,940	-	-
<b>Net Movement before other recognised gains and losses</b>		<b>265,799</b>	<b>417,838</b>	<b>683,637</b>	<b>807,112</b>
Profit on Fixed Assets Disposal	14	-	-	-	81,249
<b>Net Movement in Funds</b>		<b>265,799</b>	<b>417,838</b>	<b>683,637</b>	<b>888,361</b>
<b><u>Reconciliation of funds:</u></b>					
Total Funds Brought Forward		16,022,343	3,004,843	19,027,186	18,138,825
<b>Total Funds as at 31 March 2016</b>		<b>16,288,142</b>	<b>3,422,681</b>	<b>19,710,823</b>	<b>19,027,186</b>

The notes on pages 21 to 30 form part of these financial statements.

# EAST LONDON MOSQUE TRUST

## BALANCE SHEET AS AT 31 MARCH 2016

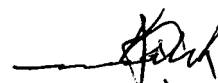
	Note	£	Total 2016 £	£	Total 2015 £
<b>Fixed Assets:</b>					
Freehold properties at cost			2,851,729		2,851,729
Building Constructions			13,434,994		19,192,849
Long Leasehold			460,634		658,048
Investment Properties			8,139,899		-
Fixture, fittings and equipment			367,308		404,606
	14		<u>25,254,564</u>		<u>23,107,232</u>
<b>Current Assets:</b>					
Stock		6,707		8,280	
Debtors & prepayments	15	602,006		638,847	
Investment Properties	16	1,502,271		1,326,944	
Cash at bank & in hand		<u>1,095,470</u>		<u>1,777,173</u>	
		3,206,454		3,751,244	
<b>Current Liabilities:</b>					
Amount falling due within one year	17	<u>1,606,805</u>		<u>1,543,219</u>	
<b>Net Current Assets / (Liabilities)</b>			<u>1,599,649</u>		<u>2,208,025</u>
<b>Total Assets less Current Liabilities</b>			26,854,213		25,315,257
<b>Creditors:</b>					
Amount falling due after one year	18		7,143,390		6,288,071
<b>Total Net Assets</b>			<u><u>19,710,823</u></u>		<u><u>19,027,186</u></u>
<b>Funds of the Charity</b>					
Restricted Funds	25		3,422,681		3,004,843
Unrestricted Funds	26				
General Fund		1,489,525		2,244,490	
Designated Fund		<u>14,798,617</u>	16,288,142	<u>13,777,853</u>	16,022,343
<b>Total Funds as at 31 March 2016</b>			<u><u>19,710,823</u></u>		<u><u>19,027,186</u></u>

The financial statements were approved and authorised for issue by the Board on 24 September 2016.

Signed on behalf of the board of trustees



Mr Muhammad Habibur Rahman  
Trustee & Chairman



Mr Mohammed Abdul Malik  
Trustee & Treasurer

The notes on pages 21 to 30 form part of these financial statements.

# EAST LONDON MOSQUE TRUST

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Notes	£	2016 £	£	2015 £
<b>Cash Outflow from Operating Activities</b>					
Operating Profit		680,788		888,361	
Depreciation		69,692		71,401	
Investment Income		(14,278)		(10,790)	
Finance Costs		77,786		82,629	
profit on findex asset disposal		(2,791)		-	
<b>Operating Profit Before Working Capital Charges</b>		<u>811,197</u>		<u>1,031,601</u>	
(Increase)/Decrease in Debtors		36,841		(170,135)	
(Increase)/Decrease in Stock		1,573		(1,240)	
Increase/(Decrease) in Creditors		<u>63,586</u>		<u>(128,357)</u>	
<b>Cash from Operations</b>		<u>913,197</u>		<u>731,869</u>	
Finance Cost Paid		<u>(77,786)</u>		<u>(82,629)</u>	
<b>Net Cash Generated from Operations</b>			835,411		649,240
<b>Cash Outflow from Investment Activities</b>					
Purchase of Tangible Fixed Assets		(2,405,192)		(1,106,203)	
Fixed assets disposal		19,000			
Interest / Profit on investment		<u>14,278</u>		<u>10,830</u>	
<b>Net Cash inflow/outflow from investment Activities</b>			(2,371,914)		(1,095,373)
<b>Cash Outflow from Financing Activities</b>					
Increase/(Decrease) of Long Term Loan		(110,165)		(541,541)	
Increase/(Decrease) of Qard Hasanah (Private Loan)		<u>965,484</u>	855,319	<u>(100,479)</u>	(642,020)
<b>Net Increase/(decrease) in Cash and Cash Equivalent</b>			(681,184)		(1,088,153)
Opening Cash and Cash Equivalent			1,776,654		2,864,807
Closing Cash and Cash Equivalent			<u>1,095,470</u>		<u>1,776,654</u>
<b>Reconciliation:</b>					
Cash at bank and in hand			1,095,470		1,777,173
Bank Overdraft			-		(519)
			<u>1,095,470</u>		<u>1,776,654</u>

**EAST LONDON MOSQUE TRUST**  
**Notes to the Financial Statements**  
**for the Year Ended 31 March 2016**

**1 Accounting Policies**

**1.1 Basis of preparation of accounts:**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in pound sterling which is the functional currency of the charity.

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

**1.2 Funds:**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity, and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements, where applicable.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.3 Income recognition:**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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

**1.4 Expenditure and irrecoverable VAT:**

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

**1.5 Allocation of costs:**

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

**1.6 Support costs:**

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

## EAST LONDON MOSQUE TRUST

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 1.7 Tangible fixed assets and depreciation:

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

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

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

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

#### 1.8 Investment properties:

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

#### 1.9 Investments :

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

#### 1.10 Stock:

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

#### 1.11 Debtors and prepayments:

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

#### 1.12 Creditors and accruals:

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

#### 1.13 Loans and borrowings:

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

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

#### 1.14 Provisions:

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

#### 1.15 Pensions:

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

#### 1.16 Taxation:

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### 1.17 Going concern:

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

#### 1.18 Reconciliation of new and previous Generally Accepted Accounting Practice (GAAP):

In preparing the accounts, we have considered applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, where a restatement of comparative items is required. The transition date was 1 April 2014.

Opening balances and net income/(expenditure) for the year in accordance with the requirements of FRS 102 are unchanged from those reported under previous GAAP and, therefore, no reconciliation required.

**EAST LONDON MOSQUE TRUST**  
**Notes to the Financial Statements**  
**for the Year Ended 31 March 2016**

**2. Legal status of the charity**

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

**3 Incoming Resources**

<b>3 Voluntary Income</b>	<b>Note</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Donations		1,108,373	488,658	1,597,031	1,398,548
Gift Aid		39,679		39,679	31,525
Legacy		5,000		5,000	-
Grants		-	5,250	5,250	23,125
		<u>1,153,052</u>	<u>493,908</u>	<u>1,646,960</u>	<u>1,453,198</u>
<b>4 Activities for Generating Funds</b>		<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hall and Room Hire		172,315		172,315	178,240
Fundraising Activities		31,058		31,058	27,074
DPI Income		28,994		28,994	69,650
Bookstall and similar sales		47,695		47,695	59,571
Advertising and Sponsorship		36,095		36,095	25,275
		<u>316,157</u>	<u>-</u>	<u>316,157</u>	<u>359,810</u>
<b>5 Investment Income</b>		<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent and Services Charges		683,334		683,334	540,099
Profit on listed investments		10,735		10,735	-
Profit on Bank Deposits		3,543		3,543	10,790
		<u>697,612</u>	<u>-</u>	<u>697,612</u>	<u>550,889</u>
<b>6 Income from Charitable Activities</b>		<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>a) General Projects</u>					
ISAP			26,611	26,611	46,567
Faith in Health			-	-	25,000
Community Cohesion			1,495	1,495	(5,186)
Sundry			-	-	300
		<u>-</u>	<u>28,106</u>	<u>28,106</u>	<u>66,681</u>
<u>b) Educational Projects</u>					
Al Mizan School			263,525	263,525	278,009
London East Academy			482,222	482,222	576,477
ELM Evening Madrasah			64,700	64,700	88,623
		<u>-</u>	<u>810,447</u>	<u>810,447</u>	<u>943,109</u>
<u>c) Welfare Funds</u>					
Fitr Fund			47,258	47,258	42,311
Zakat Fund			13,402	13,402	15,698
Sundry			19,963	19,963	22,923
		<u>-</u>	<u>919,176</u>	<u>919,176</u>	<u>1,090,722</u>
<b>7 Other Incoming Resources</b>		<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
User Groups' Contributions		10,291		10,291	80,084
Wedding and Attestations		14,300		14,300	14,247
Sundry		37,266		37,266	50,676
		<u>61,857</u>	<u>-</u>	<u>61,857</u>	<u>145,007</u>
<b>Total Income</b>		<b><u>2,228,678</u></b>	<b><u>1,413,084</u></b>	<b><u>3,641,762</u></b>	<b><u>3,599,626</u></b>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2016

### Expenses Summary

8	Voluntary Cost	Note	Unrestricted £	Restricted £	2016 £	2015 £
	Printing and Publicity		13,886		13,886	23,645
	Volunteer Expenses		4,668		4,668	3,679
	Insurance	13	19,336		19,336	17,016
	Subscriptions		6,544		6,544	5,523
			<u>44,434</u>	<u>-</u>	<u>44,434</u>	<u>49,863</u>
9	Fundraising Cost		Unrestricted £	Restricted £	2016 £	2015 £
	Salaries and Employer's NIC		63,840		63,840	51,776
	Fundraising Campaign and Advertising		5,619		5,619	5,073
	Fundraising Events		26,066		26,066	16,828
	Bookstall and Similar Supplies		28,932		28,932	37,623
	DPI Expenses		61,309		61,309	74,676
			<u>185,766</u>	<u>-</u>	<u>185,766</u>	<u>185,976</u>
10	Investment Management Costs		Unrestricted £	Restricted £	2016 £	2015 £
	Salaries and Employer's NIC	13	117,381		117,381	115,409
	Premises Expenses	13	71,093		71,093	59,116
	Management Fees		42,513		42,513	
	Finance Charges		77,786		77,786	82,629
			<u>308,773</u>	<u>-</u>	<u>308,773</u>	<u>257,154</u>
11	Charitable Activities		Unrestricted £	Restricted £	2016 £	2015 £
	<u>General projects</u>					
	ISAP			54,585	54,585	65,023
	Faith in Health			34,371	34,371	35,590
				<u>88,956</u>	<u>88,956</u>	<u>100,613</u>
	<u>Educational Projects</u>					
	Al Mizan School			300,631	300,631	254,403
	London East Academy			660,101	660,101	560,435
	Elm Evening Madrasah			75,899	75,899	79,761
				<u>1,036,631</u>	<u>1,036,631</u>	<u>894,599</u>
	Welfare Fund Distribution			6,500	6,500	4,590
	Fitr Fund Distribution			45,230	45,230	41,100
	Zakat Fund Distribution			16,504	16,504	16,581
				<u>61,734</u>	<u>61,734</u>	<u>57,681</u>
	Salaries and Employer's NIC	13	101,765		101,765	132,268
	Support Workers				-	5,368
	Premises Expenses	13	629,123		629,123	532,045
	Archiving Expenses			365	365	6,034
	Bad and Doubtful debts		3,786		3,786	12,606
	Iftar and Ihtikaf Expenses		14,079		14,079	14,801
	Telephone, Fax and Internet	13	6,088		6,088	5,273
	Computers and IT Expenses	13	1,538		1,538	3,117
	Postage and Stationery	13	2,302		2,302	2,771
	Contributions from projects		(91,304)		(91,304)	
			<u>667,377</u>	<u>365</u>	<u>667,742</u>	<u>714,283</u>
			<u>667,377</u>	<u>1,194,186</u>	<u>1,861,563</u>	<u>1,771,766</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements

for the Year Ended 31 March 2016

Cont....

12	Support and Governance Costs:	Note	Unrestricted £	Restricted £	2016 £	2015 £
	<b>a) Support Costs</b>					
	Salaries and Employer's NIC	13	328,666		328,666	323,145
	Insurance	13	19,337		19,337	17,017
	Telephone, Fax and Internet	13	6,087		6,087	5,272
	Computers and IT Expenses	13	1,539		1,539	3,116
	Postage and Stationery	13	2,302		2,302	2,772
	Legal and Professional Fees		26,672		26,672	13,812
	Training and Courses		5,327		5,327	8,954
	Payroll Services		3,000		3,000	2,650
	Book-Keeping and Accountancy		15,701		15,701	15,701
	Bank and Credit Card Charges		34,945		34,945	23,255
	Sundry		13,100	1,000	14,100	7,641
	Depreciation on FF and Equipment		55,606		55,606	62,945
	Profit from DPI's assets sales		(2,741)		(2,741)	
			<u>509,541</u>	<u>1,000</u>	<u>510,541</u>	<u>486,280</u>
	<b>b) Governance Costs</b>					
	Salaries and Employer's NIC	13	23,476		23,476	23,082
	Audit remuneration		7,701		7,701	7,701
	Meeting and Training		4,021		4,021	2,292
	Legal and Professional Fees		11,850		11,850	8,400
			<u>47,048</u>	<u>-</u>	<u>47,048</u>	<u>41,475</u>
			<u>556,589</u>	<u>1,000</u>	<u>557,589</u>	<u>527,755</u>
	<b>Total Expenses</b>		<u><b>1,762,939</b></u>	<u><b>1,195,186</b></u>	<u><b>2,958,125</b></u>	<u><b>2,792,514</b></u>

13	Allocation of Costs:	Basis of allocations	Total	Support Costs	Governance Costs	Voluntary Cost	Investment Management Costs	Charitable Activities
	<b>a) Charitable Activities:</b>							
	Cleaning and Support Services	1 : 9	266,255				26,626	239,629
	Service Charges		2,731				2,731	-
	General Rates and Water	1 : 9	34,724				2,089	32,635
	Lighting and Heating	1 : 9	142,823				14,279	128,544
	Repairs and Maintenance	1 : 9	253,683				25,368	228,315
			<u>700,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,093</u>	<u>629,123</u>
	<b>b) Support Costs:</b>							
	Computer and IT Expenses	1 : 1	3,077	1,539				1,538
	Postage and Stationery	1 : 1	4,604	2,302				2,302
	Insurance	1 : 1	38,673	19,337		19,336		
	Salaries and Employer's NIC	59:4:21:16	571,288	328,666	23,476		117,381	101,765
	Telephone, Fax and Internet	1 : 1	12,175	6,087				6,088
			<u>629,817</u>	<u>357,931</u>	<u>23,476</u>	<u>19,336</u>	<u>117,381</u>	<u>111,693</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements

for the Year Ended 31 March 2016

### 14 Tangible Fixed Assets:

	Freehold Properties	Long Lease Properties	Buildings Constructions	Investment Properties	Fixtures, Fittings & Equipment	Total
Cost:	£	£	£	£	£	£
At 1 April 2015	2,851,729	658,048	19,192,849		1,079,661	23,782,287
Addition				857,686	45,235	902,921
Disposal					(19,656)	(19,656)
Properties Transferred to CA Investment				1,326,944		1,326,944
Land and Buildings transferred to FA Investment		(197,414)	(5,757,855)	5,955,269		-
	<u>2,851,729</u>	<u>460,634</u>	<u>13,434,994</u>	<u>8,139,899</u>	<u>1,105,240</u>	<u>25,992,496</u>
Depreciation:						
At 1 April 2015					675,055	675,055
Charge for the year					66,274	66,274
Eliminated by Disposal	-	-	-	-	(3,397)	(3,397)
					<u>737,932</u>	<u>737,932</u>
Net Book Value						
As at 31 March 2016	<u>2,851,729</u>	<u>460,634</u>	<u>13,434,994</u>	<u>8,139,899</u>	<u>367,308</u>	<u>25,254,564</u>
As at 31 March 2015	<u>2,851,729</u>	<u>658,048</u>	<u>19,192,849</u>	-	<u>404,606</u>	<u>23,107,232</u>

The net book value of tangible fixed assets investment comprised:

	2016 £	2015 £
<u>Investment properties:</u>		
Freehold	1,017,196	-
Long leasehold	1,364,848	197,414
Building constructions	<u>5,757,855</u>	<u>5,757,855</u>
	<u>8,139,899</u>	<u>5,955,269</u>
<u>Land and buildings:</u>		
Freehold	3,884,630	2,867,434
Long leasehold	<u>4,255,269</u>	<u>3,087,835</u>
Total Investment Property	<u>8,139,899</u>	<u>5,955,269</u>
	2016 £	2015 £
Profit on disposal of investment property	-	81,249
	<u>-</u>	<u>81,249</u>

FRS 102 requires investment properties to be stated at fair value as at balance sheet date. The independent valuation of all the Trust's properties, instructed by the trustees has commenced and was not yet completed at reporting date. Investment properties are thus stated at historical cost and will be updated in the Financial Statements of 31 March 2017.

### 15 Debtors & Prepayments:

	2016 £	2015 £
Prepayments	66,959	81,124
Rent and Others	248,292	277,187
Student Fees	<u>286,755</u>	<u>280,536</u>
	<u>602,006</u>	<u>638,847</u>

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements

for the Year Ended 31 March 2016

<b>16 Current Asset Investments</b>	<b>Freehold Properties</b>	<b>Long Lease Properties</b>	<b>Total</b>
Cost or valuation	£	£	£
At 01 April 2015	443,766	883,178	1,326,944
Additions	1,502,271	-	1,502,271
Disposals	-	-	-
Properties Transferred to FA Investment	(443,766)	(883,178)	(1,326,944)
	<u>1,502,271</u>	<u>-</u>	<u>1,502,271</u>
At 31 March 2016			
Carrying amount:			
At 31 March 2016	<u>1,502,271</u>	<u>-</u>	<u>1,502,271</u>
At 31 March 2015	<u>443,766</u>	<u>883,178</u>	<u>1,326,944</u>
Investments at historical cost comprise of:		2,016	2,015
		£	£
Properties		1,502,271	1,326,944
	<u>1,502,271</u>	<u>1,326,944</u>	<u>1,326,944</u>
<b>17 Creditors: Falling due within one year</b>	<b>2016</b>	<b>2015</b>	
	£	£	
Other Taxes and Social Security Costs	39,543	39,706	
Trade Creditors	51,183	65,040	
Rent and Hall Hire Deposits	96,939	80,014	
Advance Tuition Fees	351,937	384,932	
Accruals and Deferred Income	330,883	349,419	
Al Rayan (IBB) Bank Loan	105,322	100,480	
Qard Hasanah - Private Loan	629,354	522,078	
Business Card	-	519	
Pension Contributions	1,644	1,031	
	<u>1,606,805</u>	<u>1,543,219</u>	
<b>18 Creditors: Falling due after more than one year</b>	<b>2016</b>	<b>2015</b>	
	£	£	
Qard Hasanah - Private Loan	5,664,189	4,698,705	
Bank Loans	1,479,201	1,589,366	
	<u>7,143,390</u>	<u>6,288,071</u>	
Private Loans: "Qard Hasanah" are loans from the charity's beneficiaries, which only have a moral obligation to repay on demand, if possible. There is no interest due or security given for these loans.			
<b>19 Analysis of Staff Costs:</b>	<b>2016</b>	<b>2015</b>	
	£	£	
Total Salaries	1,661,978	1,559,489	
Employer's NIC	113,033	108,291	
Pension Contributions	10,763	2,888	
Total Employment cost	<u>1,785,774</u>	<u>1,670,668</u>	
Average number of employees: Support	19	17	
Average number of employees: Direct charitable	116	102	
	<u>135</u>	<u>119</u>	
Employees paid in excess of £60,000 during the current year and previous year	<u>None</u>	<u>None</u>	

**EAST LONDON MOSQUE TRUST**  
**Notes to the Financial Statements**  
**for the Year Ended 31 March 2016**

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

The trustees neither received nor waived any remuneration during the year (2015: £Nil)

Key management personnel (neither Company Director nor trustee) received remuneration of £82,831 during the year (2015: £80,143) including pension costs.

The trustees did not have any expenses reimbursed during the year (2015 - £nil).

**21 Pension:**

The charity's pension scheme is operated by Carey Group where employee and Employer contributed (1%) of pensionable pay. The employer's contributions made to the scheme was £10,763 during the year (2015: £2,888), recognised as an expense under staff emoluments.

**22 Listed Investments**

	2016 £	2015 £
Opening Market Value as at 01.04.2015	9,713	9,713
Matured during the year	9,713	
Unrealized gain/ (loss) for the period	-	-
Closing Market Value as at 31.03.2016	<u>9,713</u>	<u>9,713</u>
Historical cost of investment	<u>-</u>	<u>-</u>

**23 Deferred income:**

	< 1 Year £	> 1 Year £	2016 £	2015 £
At start 01.04.2015	545,782	147,599	693,381	767,771
Additions during the year	432,857	43,750	476,607	537,044
Amounts released to income	(456,922)	(88,860)	(545,782)	(611,434)
At end 31.03.2016	<u>521,717</u>	<u>102,489</u>	<u>624,206</u>	<u>693,381</u>

Income has been deferred for

**Rent and service charges:** Invoices raised 1 month prior to the quarter began.

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

**Advert:** Invoices raised in relation to web advert on ELM website for 2016/17.

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

# EAST LONDON MOSQUE TRUST

## Notes to the Financial Statements

for the Year Ended 31 March 2016

24 Restricted Fund Movements	Opening Balance 01.04.2015	Incoming Resources	Resources Expended	Adjustment	Closing Balance 31.03.2016
	£	£	£	£	£
<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>-</u>	<u>-</u>	<u>-</u>	<u>2,418,750</u>
<b>41 Field gate Street</b>		488,068			488,068
<b>Maryam Academy</b>		590		158,541	159,131
<b>Educational Projects</b>					
London East Academy	221,471	482,222	660,101	-	43,592
Al Mizan	(4,293)	263,525	300,631	41,399	-
Evening Madrasah	39,812	64,700	75,899		28,613
	<u>256,990</u>	<u>810,447</u>	<u>1,036,631</u>	<u>41,399</u>	<u>72,205</u>
<b>General Projects</b>	237,722	28,106	88,956		176,872
Zakat Fitr Fund	6,286	60,660	61,734		5,212
Welfare Fund	85,095	19,963	6,500		98,558
Sundry Income	-	5,250	1,365		3,885
	<u>3,004,843</u>	<u>1,413,084</u>	<u>1,195,186</u>	<u>199,940</u>	<u>3,422,681</u>
<b>25 Movement in Funds</b>	Unrestricted Fund £	Designated Fund £	Unrestricted Total £	Restricted Fund £	Total Fund £
As at 1 April 2015	2,244,490	13,777,853	16,022,343	3,004,843	19,027,186
Current year surplus	465,739	-	465,739	217,898	683,637
Properties Transferred to FA Investment	(1,326,944)	1,326,944	-		-
PY Maryam Centre movemnet	(158,541)		(158,541)	158,541	-
Current year transfer	264,781	(306,180)	(41,399)	41,399	-
As at 31 March 2016	<u>1,489,525</u>	<u>14,798,617</u>	<u>16,288,142</u>	<u>3,422,681</u>	<u>19,710,823</u>

Total funds include £535,047 (2015: £577,723) debtors receivable. Approximately £14.80m (2015: £15.10m) of designated funds are tied up with Buildings construction and fixed assets additions. Free reserves available is £0.75m as explained in reserves policy. Total current assets investment cost is £1.50m (2015: was £1.33m).

## 26 Taxation

The entity is a registered charity and as such is entitled to certain tax exemptions i.e. corporation tax. Rental income represents the total invoice value, excluding value added tax, where VAT charged by the charity.

## 27 Post Balance Sheet Events

There were no other significant balance sheet events to report.

## 28 Auditors' Remuneration

	2016 £	2015 £
Auditor's Remuneration for the audit of the charity's annual accounts	<u>9,501</u>	<u>9,141</u>
Fees Payable to the charity's auditor for non-audit services	<u>9,021</u>	<u>9,021</u>

**EAST LONDON MOSQUE TRUST**  
**Notes to the Financial Statements**  
**for the Year Ended 31 March 2016**

**29 Contingent Liabilities**

The Charity had no contingent liabilities as at 31 March 2016 nor at 31 March 2015.

**30 Related Party Transactions**

There were no related party transactions during the year.

**31 Gifts in Kind and Volunteers**

During the year the charity benefited from unpaid work performed by volunteers, this is stated in the Trustees' Report. The charity also received free bottled water from another charity and sold as part of the charity's fundraising activities.

**32 Financial Commitments**

The Charity had no financial or other contractual commitments as at 31.03.2016.