

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 2020

ABACUS PARTNERS (LDN) LLP

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

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CORPORATE DETAILS

Registered Name	East London Mosque Trust
Working Names	East London Mosque London Muslim Centre
Company Number	0468317
Charity Number	1122613
Trustees (Directors)	Muhammad Habibur Rahman (Chairman) Ayub Khan (Vice Chairman) Shafiur Rahman (Vice Chairman) Abdul-Hayee Murshad (Honorary Secretary) Mohammed Abdul Malik (Treasurer) Aman Ali Hussain Muhammad Shefaar Ismail Patel Mahera Ruby Rahela Choudhury Ruhana Ali Begum Sirajul Islam Sirajul Islam (Hira)
Company Secretary	Abdul-Hayee Murshad
Director	Dilowar Hussain Khan
Registered 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 Al Rayan Bank, 97-99 Whitechapel Road, London, E1 1DT Barclays Bank Plc, Broadgate 2, Leicester LE87 2BB
Solicitors	Saunders Roberts, 1 Crown Court Yard, Bridge Street, Evesham, WR11 4RY

TRUSTEES' ANNUAL REPORT

OBJECTS AND PUBLIC BENEFIT

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

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

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

ACTIVITIES

The Trust's facilities are normally open to the public every day of the year for all the daily prayers, with congregations of up to 7,000 people in the well-maintained spaces of the East London Mosque and adjoining London Muslim Centre and Maryam Centre, accessible to all. This year, as with the rest of British society, the Trust faced the unprecedented closure of its facilities due to the COVID-19 pandemic.

The response to the closure was to connect with our congregation online, and to address the community's most urgent needs by establishing a temporary mortuary, and delivering food and medicines to those in need. As places of worship were allowed to re-open from July 2020, the Trust took a cautious, gradual approach to re-opening, ensuring congregational prayers could recommence safely.

The Trust has primary and secondary schools (both rated 'Good' by Ofsted), and hosts a nursery (also rated 'Good'). It hosts supplementary educational opportunities for children and adults in evenings and at weekends.

A wide range of services is offered for both Muslims and non-Muslims, often in partnership with others. The Trust places strong emphasis on building relationships with others so we can work together for the common good; a highlight this year was a virtual interfaith iftar in Ramadan.

The Trust has a Visitor Centre to facilitate our wider engagement, welcoming visiting adults and school groups on a weekly basis. The Trust helps to foster understanding, and to challenge Islamophobia, and protects its reputation by challenging inaccurate media reporting.

Our facilities are available for hire, for weddings, conferences, meetings, and more, providing both a community benefit and income to sustain our activities. Hirers must adhere to our policies, to ensure our facilities are used in accordance with our charitable status, and in a manner that does not harm our reputation.

The wonderful support given to the Trust by our community continues, reflecting the Islamic emphasis on charitable giving; in this year, over £1.68 million was raised in donations and from other fundraising initiatives. We also facilitate collections for UK registered charities; once again, the great generosity of our congregation and community led to record collections for over one hundred good causes, raising £401,701, a new record.

Volunteering

The Trust benefits greatly from dedicated, committed volunteers, from those helping with collections, to members and trustees helping to drive the organisation forward. Volunteering in the Maryam Centre is coordinated by Maryam Women's Services, and in ELM by our volunteer group, Jamiat-ul-Muslimin. They provide stewarding for Friday prayers, Ramadan, Eid and other special occasions, and provide support for charity collections. We estimate their contribution of time is worth around £110,000 per year.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

Religious Projects and Services

Prayer Facilities

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

In this reporting period, the Trust took the unprecedented decision to close all its facilities on 19 March 2020, due to the COVID-19 pandemic; this was ahead of the Government order for a complete lockdown. It followed a period when the Trust passed on national advice to its congregation and community. This report will refer to its normal operations, referring to the lockdown only where it relates to the period covered.

Religious Teaching

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

Ramadan & Eid

Ramadan in 2019 was as usual very busy, with a footfall of over a quarter of a million for congregational prayers. It is a challenging time for staff and volunteers, who work long into the night for the special prayers attended each night by thousands of people. Every evening the Mosque provided free meals for the breaking of the fast for about 600 men and women. The Mosque held five congregational prayers on each of the two Eid mornings, Eid al-Fitr and Eid al-Adha, catering for many thousands of worshippers.

Funerals

The Mosque facilitates funeral prayers almost on a daily basis, often several at a time – 397 in this reporting period. Coffins are brought from the basement mortuary facilities directly to the holding area in front of the mihrab, ready for the funeral prayer, which is usually held straight after the midday prayer. The Mosque's Visitor centre accommodates non-Muslim guests who come to pay their respects.

Education

Al Mizan School & London East Academy

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

In 2020, 96% of GCSE students achieved grades 5–9 including English and Maths (85 % in 2019), with 36% of students attaining grades 8–9 including English and Maths (30% in 2019). 100% of students reached A*–C in Islamiyat; 100% of students in Maths and Science achieved grades 5–9, and 96% in English. In a further improvement on last year, 96% of students achieved 5–9 EBacc (85% in 2019).

When the Trust closed the facilities due to the COVID-19 pandemic, the school leadership team had anticipated the escalating situation, and were able to plan for the closure. Staff, students and parents were trained on how to use Zoom to deliver full remote lessons, including sending and receiving work. It was a notable success for teachers, students and parents; parents offered glowing feedback on the Zoom teaching.

Supplementary education

The Trust's part-time evening school, the ELM Evening Madrasah, operates weekdays 5–7pm, with a curriculum giving essential Islamic knowledge. It has nine classes with over 140 students, aged 7 to 14. The Madrasah has relevant child protection training, DBS checks, and staff workshops to maintain and improve teaching standards. The Madrasah is supported by the Schools & Evening Madrasah Governing Body, which is a committee of the Trust.

The London Iqra Institute (a project of London Education Trust) operates from the fifth floor of the Maryam Centre, specialising in structured Islamic courses for children aged six and above, and some courses for adults.

The Trust supports several other educational projects based in its complex: Rainbow House, Saturday Islamic School, Hornafric Development Association, Al Qalam Madrasah, and Jibreel Institute.

Social Welfare

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

Religious Advice and Support

The Mosque's Imams give advice and guidance on religious matters, on issues such as marriage, inheritance, family and financial matters. There was an average of 182 contacts per day, split evenly between enquiries in person at the ELM reception and by telephone.

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

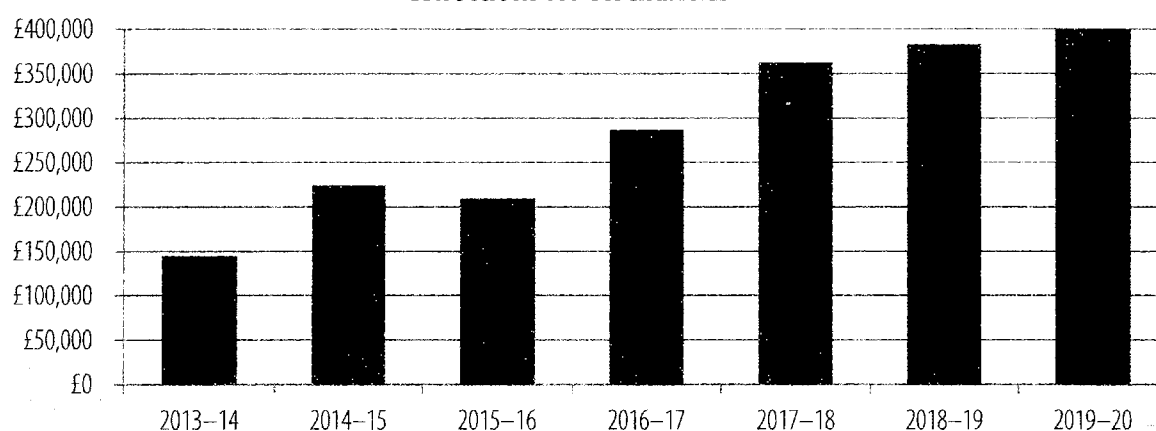
Legal advice

Pro Bono in the LMC (PBLMC) is a free legal advice service, run by volunteer practising barristers, solicitors and CILEx (Chartered Institute of Legal Executives), for those unable to afford or obtain legal aid. Where PBLMC is not able to assist, it signposts to other legal help providers. Areas of law include family, crime, tenancies, employment, and immigration. Whilst many of PBLMC's clientele are Muslims, non-Muslims also come to PBLMC for legal help.

Supporting charitable causes

This was yet another a record year collecting for UK registered charities, with a total of £401,701 raised for 109 good causes. A large proportion, as always, was collected in Ramadan. The lockdown had an impact on the last two weeks of this reporting year, and we have to expect that next year will be much lower.

Collections for UK charities



Women-only services

More than 25 female user groups covering all ages and from different communities use the Trust facilities on a weekly basis, such as the London Saturday Circle, the Tafseer Class, the Friday Youth Circle, and the New Muslims Circle. Most are based in the Maryam Centre, a leading Islamic facility for women both locally and beyond. The Maryam Centre has excellent female prayer facilities, classes and seminars for women.

Community Cohesion

The Trust works actively to forge stronger relationships and alliances with interfaith groups, civic society and wider society through engagement programmes and activities throughout the year. The COVID-19 pandemic impacted the normal levels of engagement, though other avenues were utilised, such as the interfaith iftar on Zoom. The Trust continues working to counter Islamophobia, which includes liaising with the local authority and Police to reassure the community.

Open Days, Tours and Visits

The Trust facilitates regular open days and exhibitions through the Islam Awareness Project (IAP), with the aim to improve community relations and remove misunderstandings about Islam and Muslims. In this year we organised three open days, receiving over 1,000 non-Muslim visitors, many of whom gave positive feedback. Also, regular Tea & Tour sessions for non-Muslim visitors are arranged by the volunteers of IAP.

Year on year we have seen success for our tours and visits, with the number of tours hosted increasing to 205 (164 last year). Despite COVID-19 and the resulting closure of the Mosque for part of the year, we still welcomed hundreds visitors, introduced them to the work of the Trust, and provided with an insight into Islam and Muslims.

As usual, the Visits Team received many requests for visits. We try to accommodate as many requests as possible, with both morning and afternoon sessions; we also increased the maximum group size. On several sessions, two groups from the same school were combined to allow as many pupils as possible to benefit, providing them with a memorable experience of visiting a Mosque.

Due to COVID-19, we had to cancel many bookings as well as visits from many institutions and universities from abroad.

Islam Awareness Courses (CPD Accredited)

Under normal circumstances, we offer nine courses per year that are tailored to the industry of those attending, with three courses being sponsored. Due to COVID-19, we were able to hold only three, two of which were sponsored (i.e. free of charge for participants). The courses have become a popular feature for policy makers, local and national government sector directors and officers, and social workers.

Working with other organisations for a better society for all

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

- London Citizens / The East London Citizens Organisation (TELCO)
- Faiths Forum for London
- Tower Hamlets Interfaith Forum
- The Joseph's Interfaith Foundation /National Imams and Rabbis Council
- London Borough of Tower Hamlets
- Tower Hamlets Police
- Faith Regen UK
- Tower Hamlets Council of Mosques
- Muslim Aid
- Muslim Council of Britain
- Stand Up To Racism
- United East End

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

Tackling Racism, Islamophobia and Anti-Semitism

The Trust has been working with various anti-racist organisations to challenge racism, Islamophobia and anti-Semitism. A number of anti-hate/racism/Semitism local campaigns organised by Stand Up To Racism were supported by the Trust. Two meetings were hosted to raise awareness about the plight of the Uyghur Muslims, where several representatives from the UK Uyghur community spoke. This year the UN Anti-Racism Day was due to be held on 21 March 2020, but it was cancelled due to the outbreak of COVID-19. The Trust supported the Black Lives Matter movement, and participated in an initiative by the Black British Islamic Bureau to address the issue of racism within the Muslim Community. The Trust co-organised an online anti-hate summit where more than 2000 people participated, with prominent figures from the anti-racist campaign movements from USA, France and UK addressing the issue.

Premises

Security

The Trust is constantly at potential risk from criminal damage, burglary, theft, arson, and hate crimes. In some circumstances, the lives and safety of staff, volunteers, users and visitors could be in jeopardy. Any breach of security may have an impact on the running of the Trust. It follows that all reasonable measures should be taken to enhance security. To this end, risk assessments are conducted whenever necessary, and at least annually.

Where appropriate, expert advice has been sought to determine security risks and precautions required to deal with these potential threats. The Trust is in regular contact with the police, in particular the counter-terrorism branch.

Staff and volunteers are provided with sufficient resources, information and training to implement the security procedures, which are reviewed regularly. The Security Team provides 24/7 security cover for our buildings, which acts as a deterrent, and is reassuring for staff, volunteers and users. Members of the Security Team are SIA qualified, and their core duties include opening and closing of the buildings, monitoring CCTV, signposting, implementing access/exits restrictions as & when in operation, recording and reporting incidents (including to the police), as well as carrying out internal and external patrol throughout the day and night.

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

The Trust's security staff are well equipped to perform their duties, despite the ever-increasing threat from Islamophobia. Training and awareness sessions were undertaken with the Metropolitan Police. We have been trialling out mobile scanners to check on unattended bags left in any part of the complex. New intercom systems have been installed throughout the three buildings to minimize unauthorised visitors.

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

Governance and Administration

The Director of Finance & Engagement remains as the lead member of staff, whilst the Board of Trustees continue to try to recruit a CEO.

Following the AGM, the new Board of Trustees was put in place through election and co-options. The Trust then reviewed the composition of its committees and updated their terms of reference.

The strategic review was completed before the AGM in September 2019, and has been further refined since the COVID-19 lockdown. The result is a Strategic Plan for 2020 –24, with three overarching aims:

- Provide a range of appropriate services, rooted in best practice, to meet the most pressing needs of our communities
- Strengthen our engagement with wider society and our ability to influence change for the common good
- Develop a robust, responsive and adaptive organisation with strong governance and operational foundations

Within each aim, clear objectives have been identified, which are then broken down into distinct goals.

Fundraising, Income Generation and Investment Performance

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

The Trust's gross income has increased by 9% to just over £4.0m (last year at £3.69m). However, the expenditure also increased by similar proportion (7%) mainly due to increased salary costs and premises expenses. The net surplus income increased by 20% to £702k (£585k last year). However, the increment will be difficult to sustain as many donor pledges in recent years for the construction of the Maryam Centre and the Synagogue building have ended. In addition, there are appeals from many other mosques in Tower Hamlets undertaking major capital rebuilds. However, regular donations, such as for Friday prayers, remain steady. The strategic plan includes the aim to sustain a year-on-year surplus of £0.5m. We are planning to achieve this goal but it will probably be delayed due to the impact of COVID-19 on the economy.

In Ramadan 2018, the Trust launched the appeal for the ELM Waqf. The objective is to earn more income for the Trust by raising around £3m for the Waqf Fund over the next 5 years, through donations and Qard Hasanah (interest free loans), then to invest in low risk investments. To date we have raised just over £400k, of which £379k has been invested through ELM Waqf Ltd in two new-build residential properties in Northampton. It is expected the return will be around 20%. However, the completion of the project has been delayed by about 6 months due to the COVID-19 lockdown. The Trust also launched a campaign for 'legacy giving' to the ELMT, and appointed a legal firm to provide a discounted will writing service to our congregation. This is making progress; to date more than £0.5m has been pledged by individuals in their wills for the Trust.

The Trust achieved a 6% rental income return on its investment properties. Income from hall hire decreased slightly (5.8%). The halls and rooms of the London Muslim Centre and Maryam Centre are primarily used by our schools on term-time weekdays, and hired to charities and community groups at a discount to promote educational, social and religious activities. The halls are also hired for Muslim wedding celebrations, but bookings have reduced as many people want banqueting facilities with greater capacity and parking. However, in order to sustain this level of income we have made plans to invest in the facilities and in marketing.

The London East Academy continues to operate in surplus. Al-Mizan School's operating deficit was 18% lower this year. The plan to review the schools has been revisited by the Board of Trustees and a committee has been formed to take this forward. Progress has been delayed due to the COVID-19 lockdown.

PLANS FOR THE FUTURE

Governance and Administration

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

Fundraising and Income Generation

5. Maintain net income of the Trust at a sustainable £0.5m per annum.
6. Make better use of internet and social media streams by engaging in digital fundraising.

Projects and Services

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

Developing Relationships / Improving Image

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

Assets & Premises

23. Manage the Phase 3 extension.
24. Explore refurbishment of dome and minarets.
25. Continue redevelopment of administrative and reception facilities.

FINANCIAL REVIEW

Principal Funding Sources

The Trust raised £1.22m through voluntary income donations (£1.18 in 2019). The income from investment increased slightly by 3.6% to £1.01m (£0.976m in year 2019). Income generated from charitable activities increased to just over £1.2m (£1.0m in 2019), and income from fundraising activities is similar to last year at £455k.

Restricted income is either the fees or donations received for individual projects, e.g. the ELMT's schools, which was £1.2m in this financial year.

Staff Remuneration

The Trust has a pay scale for remuneration of staff. A remuneration committee has been formed to consider any pay increase. The committee decided that as the forecast for next financial year was not as good as the previous year and the Trust has to undertake substantial capital works, the pay scale would be increased by 1.3% in line with the rate of Consumer Price Index (Dec 2019). Also, at the lowest level the Trust would pay 10p per hour more than the minimum wage from April 2020.

Investment Policy

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

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

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

The Trust has invested approximately £6.6m in income generating properties within the complex and, more recently, outside of the complex. The LMC Business Wing is a part of its investment strategy, in particular the businesses and charities based there paying rent for the retail units and office spaces they occupy. The annual rental income from all investment properties was £1.01m this year, yielding a return of 6.0% on the current investment value of £16.05m. There was 100% occupancy in the Business Wing and investment properties.

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

Reserves Policy

The main objective of the reserves policy is to ensure that the Trust is able to meet its short-term operational costs in an event where income drops to an unsustainable low. It is currently operating to service at least two months of liabilities, which is £0.60m. The Board of Trustees considers the reserve policy to be adequate, as the giving tradition is strong in such a faith-based organisation, with regular income received from the investments.

Principal Uncertainties, Risks and Management

The Trust identifies and monitors risks in the areas of compliance, reputation, financial management, governance and operations, and puts in place measures to mitigate these risks, especially those deemed as major. These measures, backed by regular review, ensure strong protection of the charity. The Trust is currently trying to gauge the impact of COVID-19 on its future activities and finances.

Amongst the key measures the Trust has in place are:

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

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

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

The Trust benefits from interest-free loans from well-wishers, known as Qard Hasanah. The balance of this loan dropped to £4.85m at the end of this reporting period – reflecting that the amount coming in (£191k) was less than the amount repaid (£535k). These loans have helped the Trust to undertake past capital developments, and to establish investments to help sustain the Trust. The Trust ensures it keeps sufficient cash flow to repay Qard Hasanah upon request, and can sell its investment properties should the need arise. The Trust is continuing to develop its Waqf base, to create a solid foundation for future income.

Going Concern

Trustees do not consider that the reclassification of some of the private loans (Qard Hasanah) as 'short-term' implies an increased risk to operational continuity. In any case, the Trust has an agreement in principle for a loan of £2.5m, which would be more than enough short-term liquidity to cover the entire current asset deficit. The Trust also has 7 investment properties located outside the main own use complex, in highly sought-after areas of London, valued at approximately £4.0m, which could be sold fairly quickly should the need ever be anticipated for additional liquidity. As noted above, the Trust has a strong base of regular donations, especially from collections on Fridays. The community is also very responsive to appeals for Qard Hasanah, should the Trust decide to increase this form of interest-free borrowing. The impact of COVID-19 on operational expenses has been mitigated by the Trust's use of the Job Retention Scheme, and by proportionately higher donations received from the community. Trustees therefore consider the Trust as a going concern.

Independent Auditor

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The East London Mosque Trust is a company limited by guarantee. Its Articles of Association were last updated in 2019. Ten trustees are elected by the Trust's membership from amongst themselves every two years. The elected trustees may appoint up to five additional trustees whose expertise may benefit the Trust. Trustees are the company directors for the purpose of company law. Trustees do not receive any remuneration.

A trustee induction procedure outlines steps for vetting trustees, key documents that are considered essential, and expectations for appropriate training. The Board of Trustees typically meets every six weeks; in this reporting period, they met 11 times. It has established three principal committees for effective governance:

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

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

The Trust activated its subsidiary, the ELMT Waqf, in this reporting period. It cooperates with other charities and organisations where this will help deliver its objects to its beneficiaries, with due regard to any conflicts of interest.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the charitable company will continue in operation.

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

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

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

The Trustees' Annual Report and the Strategic Report were approved by the Board of Trustees (in their capacity as company directors) on 1 October 2020 and signed on its behalf by:



Muhammad Habibur Rahman
Chairman



Abdul-Hayee Murshad
Honorary Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EAST LONDON MOSQUE TRUST FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of East London Mosque Trust for the year ended 31st March 2020, which comprise the statement of financial activities, the Statement of Financial Position, the Cash Flow Statement, and the related Notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Mr Nur 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: 7 November 2020



EAST LONDON MOSQUE TRUST

(Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY (INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Incoming Resources					
Voluntary Income	3	1,221,903	1,166	1,223,069	1,179,450
Activities for Generating Funds	4	455,813	-	455,813	453,604
Investment Income	5	1,005,072	-	1,005,072	976,196
Income from Charitable Activities	6	-	1,212,550	1,212,550	1,007,138
Others Incoming Resources	7	130,504	-	130,504	75,705
Total Incoming Resources		2,813,292	1,213,716	4,027,008	3,692,094
Resources Expended					
Cost of Generating Voluntary Income	8	50,178	-	50,178	55,891
Fundraising Costs	9	168,385	-	168,385	120,401
Investment Management Costs	10	258,509	-	258,509	273,674
Charitable Activities Costs	11	783,544	1,322,780	2,106,324	1,889,920
Support costs	12	659,572	-	659,572	684,140
Governance costs	12	82,018	-	82,018	83,016
Total Resources Expended		2,002,206	1,322,780	3,324,986	3,107,043
Net Income/Deficit Before Fund Movements		811,086	(109,064)	702,022	585,050
Gross Transfer Between Funds	23	(151,533)	151,533	-	-
Net Movement before other recognised gains and loss		659,553	42,469	702,022	585,050
Gains / (losses) on revaluation of Fixed assets	14	-	-	-	235,148
Net Movement in Funds		659,553	42,469	702,022	820,198
Reconciliation of funds:					
Total Funds Brought Forward		30,841,719	3,997,188	34,838,907	34,018,709
Total Funds as at 31 March 2020		31,501,272	4,039,657	35,540,929	34,838,907

All the activities of the company are from continuing operations.

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

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

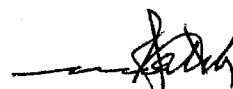
	Note	£	Total 2020 £	£	Total 2019 £
Fixed Assets:					
Freehold Land and Buildings	14		13,281,232		12,899,216
Leasehold Land and Buildings	14		10,456,034		10,456,034
Investment Properties	14		16,049,751		16,049,751
Fixture, fittings and equipment	14		448,124		382,260
Loans to Group Undertakings			-		-
Investment in Subsidiaries	1.18		101		101
			<u>40,235,242</u>		<u>39,787,362</u>
Current Assets:					
Stock		3,662		3,660	
Debtors & prepayments	15	717,640		700,426	
Cash at bank & in hand		<u>1,417,011</u>		<u>1,736,431</u>	
		2,138,313		2,440,517	
Current Liabilities:					
Amount falling due within one year	16	<u>3,021,588</u>		<u>3,239,630</u>	
Net Current Assets / (Liabilities)			<u>(883,275)</u>		<u>(799,113)</u>
Total Assets less Current Liabilities			39,351,967		38,988,249
Creditors:					
Amount falling due after one year	17		3,811,038		4,149,342
Total Net Assets			<u>35,540,929</u>		<u>34,838,907</u>
Funds of the Charity					
Restricted Funds	22		4,039,657		3,997,188
Unrestricted Funds	23				
General Fund		626,566		882,883	
Designated Fund		<u>30,874,706</u>	31,501,272	<u>29,958,836</u>	30,841,719
Total Funds as at 31 March 2020			<u>35,540,929</u>		<u>34,838,907</u>

The financial statements were approved and authorised for issue by the Board on 7 November 2020.

Signed on behalf of the board of trustees



Mr Muhammad Habibur Rahman
Trustee & Chairman



Mr Mohammed Abdul Malik
Trustee & Treasurer

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

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
Cash Outflow from Operating Activities					
Operating Surplus		702,022		585,050	
Depreciation		74,675		66,320	
Investment Income		(2,466)		(2,435)	
Finance Costs		59,078		61,456	
(Gain)/Loss on fixed asset disposal		-		250	
Operating Surplus Before Working Capital Charges		<u>833,309</u>		<u>710,641</u>	
(Increase)/Decrease in Debtors		(17,214)		39,531	
(Increase)/Decrease in Stock		(2)		(327)	
Increase/(Decrease) in Creditors		<u>(218,042)</u>		<u>(1,458,876)</u>	
Cash from Operations		<u>598,051</u>		<u>(709,031)</u>	
Finance Cost Paid		<u>(59,078)</u>		<u>(61,456)</u>	
Net Cash Generated from Operations			538,973		(770,487)
Cash Outflow from Investment Activities					
Purchase of Tangible Fixed Assets		(528,611)		(95,091)	
Investment in Subsidiary		-		-	
Fixed assets disposal				397	
Interest / Profit on investment		<u>2,466</u>		<u>2,435</u>	
Net Cash inflow/outflow from investment Activities			(526,144)		(92,259)
Cash Outflow from Financing Activities					
Increase/(Decrease) of Long Term Loan		(185,520)		(120,942)	
Increase/(Decrease) of Qard Hasanah (Private Loan)		<u>(146,727)</u>	(332,248)	<u>1,122,957</u>	1,002,015
Net Increase/(decrease) in Cash and Cash Equivalent			(319,419)		139,269
Opening Cash and Cash Equivalents			1,736,431		1,597,162
Closing Cash and Cash Equivalents			<u>1,417,011</u>		<u>1,736,431</u>
Reconciliation:					
Cash at bank and in hand			1,417,011		1,736,431
			<u>1,417,011</u>		<u>1,736,431</u>

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

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2020

1 Accounting Policies

1.1 Basis of preparation of accounts:

The charitable company is a public benefit entity as defined by FRS 102, and the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)- Charities SORP FRS 102, and the Companies Act 2006.

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

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

1.2 Going concern and Covid-19 impact:

The financial statements have been prepared on a going concern basis as the Directors anticipate no material uncertainties exist going forward, and that the expected level of income will support all expenditure for 12 months from the date of authorising these financial statements. The lockdown as a result of the COVID-19 pandemic, meant that the Trust did not have a congregation for 3 months, which meant there was a period with no site collections. Nonetheless there was still a drive to obtain fundraising during the period online, with Ramadan collections during lockdown, matching prior year donations.

The entity used the HMRC Job Retention Scheme from March 2020 to help sustain its workforce, who will once again become valuable as the premises gradually moves towards operating with its previous footfall. The greatest concern for Directors was the possibility of significant private loans being recalled, but this has not occurred. Even with projections of declining on-site collections for the remainder of 2020, the organisation has sufficient resources to fund operational expenses. This was assisted by very generous donations in the months of April and May 2020, when nearly £300k of donations were collected.

1.3 Funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The current designated fund is tied up with fixed assets (See Note 24). Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The funds are set out in Note 23.

1.4 Income recognition:

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

- Cash donations are recognised on receipt
- Tuitions Fee income is recognised when entitlement has occurred. Fee Invoices are usually raised at the beginning of the academic year and any income related to future accounting periods are deferred to those periods.
- Investment income is earned through holding property and cash deposits for investment purposes. Rental income is recognised as the charity's right to receive payment is established. Profit on funds held on deposit is included when receivable and the amount can be measured reliably.
- Hall and room hire income is recognised as at the date of the event.
- Grants for immediate expenditure are accounted for when they become receivable.

1.5 Expenditure and irrecoverable VAT:

All expenditure is accounted for on an accruals basis within the Statement of Financial Activity, and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised once there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Input VAT that cannot be claimed is included in the cost to which it relates.

1.6 Allocation of costs:

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

1.7 Support costs:

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

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2020

1.8 Tangible fixed assets and depreciation:

Freehold and long leasehold properties are not depreciated as they are maintained at a high standard, thus extending their useful life and residual value. Annual impairment reviews are conducted where assets are not depreciated.

Individual fixed assets costing £500 or more are capitalised at cost, and are stated in the accounts at cost less depreciation.

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

Computers and Equipment	15% Reducing balance.
Furniture, Fixtures and fittings	15% Reducing balance.

1.9 Investment properties:

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

1.10 Investments:

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

Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA. Other investments are measured at cost less impairment.

1.11 Stock:

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

1.12 Debtors and prepayments:

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

1.13 Creditors and accruals:

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

1.14 Loans and borrowings:

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

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

1.15 Provisions:

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

1.16 Pensions:

Employees of the charity are entitled to join a defined contribution pension scheme operated by Supertrust. The pension contributions by the charity are charged to the financial statements, and represent the statutory minimum percentage of pensionable earnings.

1.17 Taxation:

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

1.18 Group accounting

The entity has a 100% stake in a dormant subsidiary LMC Limited and a 100% stake in ELMT Waqf Ltd. The latter's total reserves at 31 March 2020 were (£430). During the year, ELMT provided a loan to ELMT Waqf Ltd., the details of which are discussed in Note 29.

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2020

2. Legal status of the charity

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

Incoming Resources

3	Voluntary Income	Note	Unrestricted £	Restricted £	2020 £	2019 £
	General Donations		1,195,113		1,195,113	1,128,709
	Baraka Khan Visitor Centre			-	-	-
	Archiving Project			1,166	1,166	2,860
	Gift Aid		26,790		26,790	5,794
	Waqf Funds					42,087
			1,221,903	1,166	1,223,069	1,179,450
4	Activities for Generating Funds		Unrestricted £	Restricted £	2020 £	2019 £
	Hall and Room Hire		178,003		178,003	189,155
	Fundraising Activities		46,360		46,360	25,729
	Bookstall and similar sales		47,171		47,171	35,267
	Advertising and Sponsorship		184,280		184,280	203,453
			455,813	-	455,813	453,604
5	Investment Income		Unrestricted £	Restricted £	2020 £	2019 £
	Rent and Services Charges		1,002,606		1,002,606	973,761
	Profit on Bank Deposits and investments		2,466		2,466	2,435
			1,005,072	-	1,005,072	976,196
6	Income from Charitable Activities		Unrestricted £	Restricted £	2020 £	2019 £
	<u>a) Educational Projects</u>					
	Al Mizan School			318,906	318,906	265,537
	London East Academy			667,267	667,267	585,955
	ELM Evening Madrasah			74,264	74,264	73,387
			-	1,060,437	1,060,437	924,879
	<u>b) Welfare Funds</u>					
	Fitr Fund			54,900	54,900	46,246
	Zakat Fund			25,341	25,341	14,874
	Sundry welfare income			21,872	21,872	21,139
	Penny Appeal counselling grant			50,000	50,000	
			-	152,113	152,113	82,258
	Total		-	1,212,550	1,212,550	1,007,138
7	Other Incoming Resources		Unrestricted £	Restricted £	2020 £	2019 £
	User Groups' Contributions		14,336		14,336	16,445
	Wedding and Attestations		32,210		32,210	15,650
	Sundry		83,958	-	83,958	43,610
			130,504	-	130,504	75,705
	Total Income		2,813,291	1,213,716	4,027,007	3,692,094

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2020

Expenses Summary

8	Voluntary Cost	Note	Unrestricted £	Restricted £	2020 £	2019 £
	Printing and Publicity		23,240		23,240	31,185
	Volunteer Expenses		5,915		5,915	5,583
	Insurance	13	9,219		9,219	8,946
	Subscriptions		11,804		11,804	10,177
			50,178	-	50,178	55,891
9	Fundraising Cost		Unrestricted £	Restricted £	2020 £	2019 £
	Salaries and Employer's NIC		81,099		81,099	46,343
	Fundraising Events and Campaigns		61,401		61,401	51,427
	Bookstall and Similar Supplies		25,885		25,885	22,631
			168,385	-	168,385	120,401
10	Investment Management Costs		Unrestricted £	Restricted £	2020 £	2019 £
	Salaries and Employer's NIC	13	97,021		97,021	97,803
	Premises Expenses	13	102,410		102,410	114,415
	Insurance	13	-		-	-
	Management Fees		-		-	-
	Finance Charges		59,078		59,078	61,456
			258,509	-	258,509	273,674
11	Charitable Activities		Unrestricted £	Restricted £	2020 £	2019 £
	<u>General projects</u>					
	ISAP			-	-	-
	<u>Educational Projects</u>					
	Al Mizan School			450,468	450,468	389,692
	London East Academy			617,436	617,436	493,486
	Elm Evening Madrasah			76,881	76,881	78,101
			-	1,144,784	1,144,784	961,279
	<u>Welfare Fund Distribution</u>					
	Welfare Fund Distribution			26,929	26,929	31,447
	Counsellor Fees			46,791	46,791	-
	Fitr Fund Distribution			54,900	54,900	46,643
	Zakat Fund Distribution			36,680	36,680	9,180
			-	165,300	165,300	87,269
	Salaries and Employer's NIC	13	220,502		220,502	222,280
	Premises Expenses	13	622,503		622,503	607,941
	Archiving Expenses			11,461	11,461	11,825
	Baraka Khan Visitor Centre			704	704	-
	Waqf Ltd.			530	530	-
	Iftar and Iikaf Expenses		18,285		18,285	5,919
	Telephone, Fax and Internet	13	3,430		3,430	3,665
	Computers and IT Expenses	13	7,325		7,325	8,349
	Postage and Stationery	13	1,903		1,903	-
	Contributions from projects		(90,404)		(90,404)	(18,608)
			783,544	12,696	796,240	841,371
			783,544	1,322,780	2,106,324	1,889,920

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2020

12	Support and Governance Costs:	Note	Unrestricted £	Restricted £	2020 £	2019 £
	a) Support Costs					
	Salaries and Employer's NIC	13	493,924		493,924	497,907
	Insurance	13	9,219		9,219	8,946
	Telephone, Fax and Internet	13	3,430		3,430	3,665
	Computers and IT Expenses	13	7,325		7,325	8,349
	Postage and Stationery	13	1,903		1,903	-
	Legal and Professional Fees		12,151	-	12,151	42,450
	Training and Courses		2,692		2,692	7,899
	Payroll Services		2,940		2,940	4,290
	Book-Keeping and Accountancy		8,800		8,800	11,298
	Bank and Credit Card Charges		25,988		25,988	20,839
	Sundry		25,996		25,996	21,397
	Depreciation on FF and Equipment		65,205		65,205	56,850
	Loss on FA disposal				-	250
			659,572	-	659,572	684,140
	b) Governance Costs					
	Salaries and Employer's NIC	13	70,561		70,561	71,131
	Auditor remuneration		9,160		9,160	8,689
	Meeting and Training		2,298		2,298	3,198
	Legal and Professional Fees				-	-
			82,018	-	82,018	83,016
			741,590	-	741,591	767,156
	Total Expenses		2,002,205	1,322,780	3,324,985	3,107,043

13	Allocation of Costs:	Basis of allocation	Total	Support Costs	Governance Costs	Voluntary Cost	Investment Mgt cost	Charitable Activities
	a) Charitable Activities:							
	Cleaning and Support Services	1: 9	296,131				29,613	266,518
	Service Charges	1: 1	6,435				3,217	3,217
	General Rates and Water	1: 9	31,270				9,681	21,589
	Lighting and Heating	1: 9	160,124				16,012	144,112
	Repairs and Maintenance	1: 9	207,853				20,785	187,067
			701,812	-	-	-	79,310	622,503
	b) Support Costs:							
	Computer and IT Expenses	1: 1	14,651	7,325				7,325
	Postage and Stationery	1: 1	3,807	1,903				1,903
	Insurance	1: 1	18,438	9,219		9,219		-
	Salaries and Employer's NIC	56:8:11:25	882,006	493,924	70,561		97,021	220,502
	Telephone, Fax and Internet	1: 1	6,860	3,430				3,430
			925,761	515,800	70,561	9,219	97,021	233,160

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2020

14 Tangible Fixed Assets:

	Freehold Land & Building	Leasehold Land & Building	Investment Properties	Fixtures, Fittings & Equipment	Total
Cost or valuation:	£	£	£	£	£
At 1 April 2019	12,899,216	10,456,034	16,049,751	1,317,260	40,722,261
Addition	382,016			146,595	528,611
Gains / (losses) on fair value of Fixed assets					-
Disposal					-
Properties Transferred (to) / from CA Investment					-
Land and Buildings transferred to FA Investment					-
	13,281,232	10,456,034	16,049,751	1,463,855	41,250,872
Depreciation:					
At 1 April 2019				935,000	935,000
Charge for the year				80,731	80,731
Eliminated by Disposal					-
				1,015,731	1,015,731
Net Book Value					
As at 31 March 2020	13,281,232	10,456,034	16,049,751	448,124	40,235,141
As at 31 March 2019	12,899,216	10,456,034	16,049,751	382,260	39,787,260

The net book value of tangible fixed assets investment comprised:

	2020 £	2019 £
<u>Investment properties:</u>		
Freehold Land and buildings	6,600,237	6,600,237
Long leasehold Land and buildings	9,449,514	9,449,514
Total Investment Property	16,049,751	16,049,751
	2020 £	2019 £
<u>Fair Value reconciliation</u>		
Cost of investment Properties	16,049,751	14,335,003
Reclassifications and additions	-	1,479,600
Gains / (losses) on revaluation of Fixed assets	-	235,148
	16,049,751	16,049,751

Mixed use Land and buildings (with investment element), were last subject to a professional valuation during the financial year 2018/19, and the trustees have considered that no fair value adjustments were required during the year (see below). Professional valuations were also made on all sole investment properties in July 2019. The Trustees have considered that no fair value adjustments are required in the period to March 2020, with the property market in the surrounding areas remaining stable.

Property	Fair Value B/fwd £	Fair Value @ 31.03.2020 £	Gain / (Loss) £
East London Mosque	5,200,000	5,200,000	-
London Muslim Centre Including Business Centre	15,825,000	15,825,000	-
Maryam Centre	12,650,000	12,650,000	-
	33,675,000	33,675,000	-

All other residential properties are as follows:

	Fair Value B/fwd £	Fair Value @ 31.03.2020 £	Gain / (Loss) £
Total number of properties : 9	5,730,000	5,730,000	-

The entity also purchased freehold land in the year, via its subsidiary ELMT Waqf Ltd, which is disclosed as an addition in Note 14.

15 Debtors & Prepayments:

	2020 £	2019 £
Prepayments	72,522	86,190
Rent and Others	478,453	330,225
Bad debt provision	(22,663)	(16,656)
Payroll debtors	1,534	328
Student Fees	187,793	300,338
	717,640	700,426

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2020

16 Creditors: Falling due within one year	2020	2019
	£	£
Other Taxes and Social Security Costs	48,379	44,484
Trade Creditors	111,733	144,382
Rent and Hall Hire Deposits	106,909	108,043
Advance Tuition Fees	347,100	369,130
Accruals and Deferred Income	245,401	284,472
Al Rayan (IBB) Bank Loan	180,789	119,175
Qard Hasanah - Private Loan	1,968,373	2,159,673
Pension Contributions	12,903	10,271
	<u>3,021,588</u>	<u>3,239,630</u>

17 Creditors: Falling due after more than one year	2020	2019
	£	£
Qard Hasanah - Private Loan	2,880,773	3,033,557
Bank Loans	930,265	1,115,785
	<u>3,811,038</u>	<u>4,149,342</u>

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

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

18 Analysis of Staff Costs:	2020	2019
	£	£
Total Salaries	1,840,045	1,753,426
Employer's NIC	122,888	127,590
Pension Contributions	79,921	33,834
Total Employment cost	<u>2,042,855</u>	<u>1,914,850</u>
Average number of employees: Support	31	26
Average number of employees: Direct charitable	83	67
	<u>114</u>	<u>93</u>
Employees paid in excess of £60,000	<u>1</u>	<u>1</u>

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2020

19 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2019: £Nil)

Key management personnel (this excludes all Company directors/trustees) received remuneration of £191,006 during the year (2019: £220,286).

Trustees were reimbursed £176.80 of travel expenses during the year (2019 - £nil).

20 Pensions:

The charity's pension scheme is operated by Supertrust, and incorporates a SMART salary sacrifice scheme. The employer's contributions made to the scheme were £79,921 during the year (2019: £30,584), recognised as an expense under staff emoluments. The increase in employer contributions year on year can be attributed to the fact that the company offered a SMART scheme only in Q4 of the last financial year.

21 Deferred income:

	2020 £	2019 £
At start 01.04.2019	622,055	713,329
Additions during the year	554,038	622,055
Amounts released to income	(622,055)	(713,329)
At end 31.03.2020	<u>554,038</u>	<u>622,055</u>

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

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

Hall Hire: Bookings made for events occurring in the period after 31st March 2020

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

22 Restricted Fund Movements

	Opening Balance 01.04.2019 £	Incoming Resources £	Resources Expended £	Adjustment £	Closing Balance 31.03.2020 £
Capital Grants					
LDA Capital Grant	710,750				710,750
Sure Start Capital Grant	258,000				258,000
NRF Capital Grant	700,000				700,000
ERDF Capital Grant	750,000				750,000
	<u>2,418,750</u>	-	-	-	<u>2,418,750</u>
41 Fieldgate Street	822,454				822,454
Maryam Academy	159,131				159,131
Educational Projects					
London East Academy	92,469	667,267	617,436		142,301
Al Mizan	-	318,906	450,468	193,090	61,528
Evening Madrasah	27,945	74,264	76,881		25,328
	<u>120,414</u>	<u>1,060,437</u>	<u>1,144,784</u>	<u>193,090</u>	<u>229,157</u>
General Projects	161,678		-		161,678
Zakat Fitr Fund	20,654	80,241	91,580		9,315
Welfare Funds	119,184	21,872	26,929		114,127
Penny Appeal Counselling Grant	-	50,000	46,791		3,209
Archiving Project	17,432	1,166	11,461		7,137
Baraka Khan Visitor Centre	115,405	-	704		114,701
Waqf	42,087		530	(41,557)	0
	<u>3,997,189</u>	<u>1,213,716</u>	<u>1,322,780</u>	<u>151,533</u>	<u>4,039,658</u>

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2020

23 Movement in Funds	Unrestricted Fund £	Designated Fund £	Unrestricted Total £	Restricted Fund £	Total Fund £
As at 1 April 2019	882,883	29,958,836	30,841,719	3,997,188	34,838,907
Current year surplus	811,086		811,086	(109,064)	702,022
Gains / (losses) on revaluation of Fixed assets		-	-		-
Current year transfer	(1,067,403)	915,870	(151,533)	151,533	-
As at 31 March 2020	<u>626,566</u>	<u>30,874,706</u>	<u>31,501,272</u>	<u>4,039,657</u>	<u>35,540,929</u>

Total funds include £643,584 (2019: £630,564) debtors receivable. Approximately £30.88m (2019: £29.96m) of designated funds are tied up in building construction and fixed asset additions. As at the balance sheet date the charitable company has £627k free reserves for its day to day operations.

24 Taxation

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

25 Auditors' Remuneration

	2020 £	2019 £
Auditor's Remuneration for the audit of the charity's annual account	<u>11,250</u>	<u>11,250</u>
Fees Payable to the charity's auditor for non-audit services	<u>11,210</u>	<u>10,710</u>

26 Contingent Liabilities

The entity had no contingent liabilities as at 31 March 2020 nor at 31 March 2019.

27 Related Party Transactions

In December 2019, the Trust made a loan of £400,000 to its subsidiary, ELMT Waqf Ltd, in which Ayub Khan, Mohammed Abdul Malik, and Habibur Rahman share common directorships with ELMT. Dilowar Hussain Khan, an employee, and Director of Finance at ELMT, is also a director of ELMT Waqf Ltd. The purpose of ELMT Waqf Ltd is to invest funds entrusted by donors in projects that will help sustain the activities of ELMT in the future. Following the fund transfer, ELMT Waqf Ltd completed the purchase of two plots of land at a cost of £379,016 on Welland Way, in Northampton. It was intended that a newbuild property could be sold on the land following completion, or that that rental income could be derived from the completed property. Neither scenario has materialised, following the COVID-19 outbreak, and it is now anticipated that the development will be completed in 2021. None of the directors of ELMT or ELMT Waqf Ltd currently have financial interests associated with either entity. Only Dilowar Hussain Khan receives remuneration from ELMT, as an employee.

28 Gifts in Kind and Volunteers

During the year the charity benefited from unpaid work performed by volunteers.

29 Financial Commitments

The Charity had no financial or other contractual commitments as at 31.03.2020. No extension of financing or business interruption loans were sought within or after the year-end.

30 Events after the Reporting period

One of ELMT's commercial tenants, National Zakaat Foundation vacated their premises in mid-July. There were no unpaid debts or dilapidation costs to recover upon their leaving. This is a non-adjusting event. There will be a decline in investment income in the financial year 2020/21 as a new tenant is sought.