

Registered Charity Number 1020820

Sutton Coldfield and Erdington
Muslim Welfare Association

Annual Report & Financial
Statements

31st August 2019

SCMA

Annual Report & Financial Statements

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The Report of the Trustees for the year ended 31st August 2019

Introduction

The trustees present their annual report and accounts for the year ended 31st August 2019.

The Board of Trustees are satisfied with the performance of SCMA during the year and the position at 31st August 2019. The Board consider that SCMA is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations. The trustees have considered the going concern assumption and are not aware of any significant doubts about the charity's ability to continue as a going concern.

Objectives, Aims and Activities of the Charity

Aims of the Association

We are a faith based organisation that endeavours to serve the Sutton Coldfield community by providing its members and their families to fulfill their religious, social, health, and cultural well-being to build mutual trust and understanding between the local communities and promote racial harmony and religious tolerance.

Strategy

Provide communal centre for the Muslim Community to fulfill its religious and social needs.

Objectives

We work to:

- promote and advance the religion of Islam in accordance with Al-Quran and the Sunnah of the Prophet Muhammed (pbuh) and to endeavour and assist in promoting and enhancing the socio-religious betterment of the entire Muslim community on a non-political basis;
- to provide facilities to meet the needs of the local community across the age spectrum and in advancement of education, health, leisure, social and religious welfare;
- to actively encourage and enhance religious tolerance and community cohesion of the wider society.

Activities during the year

1. Promoting and enhancing the religion of Islam

Congregational Prayers

We have continued to provide facility for congregational prayers with two Imams leading the daily Salah's as well as weekly Jummah Salah. The Imams have also been providing regular faith based talks on a weekly basis. We have continued to offer facilities for men and women to offer all daily salah in congregation.

Taraweeh and I'tikaaf facility offered in Ramadhan

We have continued to provide daily Taraweeh salah during Ramadhan with the help of our dedicated Huffaz. This has been extremely well attended again. In addition facilities were offered for members for I'tikaaf. Several members spent the last days of Ramadhan in I'tikaaf in the masjid during the year.

Guest lectures and workshops

Guest speakers have been invited over the last year to present talks and workshops on various subjects at the Courthouse. These have been well attended and positive feedback received from members and guests who attended.

Regular faith based talks by the Imam

The Imams have kindly been delivering regular talks targeted at a wide audience, on various subjects. Talks especially relevant to sisters have been delivered on a monthly basis.

2. Provision of facilities to the local community

Renovation of parts of the property to facilitate activities

In the prior year, we completed the building works for the ground floor area including the ablution facilities and in the current year, some final remedial work was performed as well.

Supplementary Education for Children from ages 5-16

Children's supplementary education for the 5-16 age group is continuing and demand for this service has been increasing.

Prayers and facility for quiet contemplation

Dedicated areas are provided for all members and guests to offer daily salah in congregation or individually, offer prayers, read Quran and remember their creator.

Education for adults

Adults have been able to partake in Islamic based talks as well as classes to improve their Arabic reading of the Holy Quran. These classes have increased in frequency during the year.

3. Encouraging and enhancing religious tolerance and community cohesion

Website

The Association's website continues to provide information about the various activities at the Court House and its content is updated regularly for the use of members and other interested individuals.

Police car parking facility

Several car parking spaces continue to be made available to our neighbours at Sutton Coldfield Police Station. This has been appreciated by them and has helped develop a very good relationship between us.

Community liaison

We have participated in meetings with inter faith and community groups in the local community. Other activities that have been undertaken in the year include, attendance at the Remembrance Day parade and having local schools visiting the Courthouse.

Public benefit that is provided by the charity

In setting out our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. The main focus of our activities is intended to provide the facilities for the community of Sutton Coldfield.

Update on prior year objectives

Although significant work was done on the conversion of the charity structure to CIO, we were unable to complete the process as the need to further engage with the community was identified.

Building for the Future

1. Immediate Priorities

We aim to carry out the following over the next twelve months:

Widening of the entrance to the car park

Currently there is only one entrance and exit into the car park and we aim to widen the area to create a separate entrance and a separate exit way.

2. Medium to long term aims:

- Make the library operational
- Provision of funeral services
- Civil marriage/Nikah facilities

Name, registered office and constitution of the charity

The full name of the charity is Sutton Coldfield and Erdington Muslim Association. The charity is also known by the name Sutton Coldfield Muslim Association (SCMA)

The legal registration details are:

Date of formation:	1 st May 1993
Charity Registration Number	1020820
The Registered Office is	The Court House, Lichfield Road, Sutton Coldfield, Birmingham

The Board of Trustees are:

Dr N Khan

Dr A Chaudary

Mr S Simjee

Mr N Awan

Dr S Quraishi

Dr S Muzaffar

Dr S Nadeem

The Bankers are:-

HSBC, Sutton Coldfield

Structure, Governance and Management

The current working trustees and committee members are responsible for the general control and management of the charity. These members give their time freely and receive no remuneration or other financial benefits. The members have regular meetings and are responsible for all decisions taken in relation to running the Court House and activities provided by the charity.

Risk Management

The Trustees and Committee members are satisfied that all systems are in place or arrangements in hand to manage the risks that have been identified, having ensured segregation of duties. In particular Insurance cover is in place and the finances of the centre are kept under review.

Appropriate Disclosure and Barring Service (DBS) checks, supported by regularly reviewed policies are made for all those who work with children or other vulnerable groups within the centre.

Health and Safety is a key priority and measures have been put in place for regular monitoring and assessments to keep our members and guests safe. Fire and Risk Assessments are regularly undertaken and recorded.

Security is reviewed regularly and improved as required.

As a registered charity, the association endeavours to assist in community welfare, faith matters and education. All our community facilities and activities are well communicated. We welcome the participation of all in our community and want to make the centre an accessible and welcoming venue where all who wish to know more about the Islamic faith, can gather together to learn about the religion and worship. All the facilities are provided to both men and women.

Nature of the Governing Document and constitution of the charity

The Charity is an unincorporated association governed by a trust deed. Eligibility for membership of the charity and membership of the board of trustees is governed by the trust deed. There are no restrictions in the governing document on the operation of the charity or on its investment powers, other than those imposed by charity law.

Recruitment and appointment of new trustees

The process involves determining the optimum skills, knowledge and experience mix for the current operational climate and needs, identifying potential members, promoting and explaining the activities of the Board to potential members. Quality, characteristics and qualifications are decided upon when selecting members of the Board of Trustees. There is then an election process to allow the wider membership to elect from the pool of nominees.

Relationships between the charity and related parties

The induction of new Trustees would include an explanation of the function of the Board of Trustees and appointing a mentor for the new member to the Board of Trustees. An overview of the organisation and its activities is provided. On-going appropriate training is recommended.

The contribution of volunteers

SCMA has been dependant on volunteer support in order to establish SCMA and set the foundations for its future success. Volunteers are an important resource in both our faith and community support work. We have volunteers who are involved in our activities who willingly give their time freely. The Trustees are professionals in their respective fields and they, together with the office bearers, continue to manage the association on a completely voluntary basis with guidance from the Charity Commission.

We encourage all members of the centre to be involved in voluntary activities and share their skills. The Trustees would like to thank all those who have volunteered their time to SCMA.

Financial Review

Policies on reserves

The trustees have resolved to establish reserves to provide for future activities, and to provide funding for the expected expenditure for six months ahead. The policy on reserves is that the existing assets are retained to produce income, which is wholly utilised to support existing activities. There is no intention in the long term to either increase or reduce the capital significantly. This policy is justified in that it is necessary to preserve income at the present levels in order to maintain the activities of the charity.

The principal funding sources are voluntarily donations primarily from the local community. The board of trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations in respect of each fund.

The general reserves of the charity are not restricted to any specific projects and can be utilised by the trustee's in accordance with the charity's objectives.

Availability and adequacy of assets of each of the funds

The board of trustees are satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Transactions and Financial position

The financial statements are set out on pages 10 to 20.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. As stated in the introduction to this report, the trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities show Income & Endowments for the year of a revenue and realised nature of £119,858 (2018: £151,174). A majority of the expenditure is spent on delivering the charitable activities as stated in the Charity's aims and objectives.

Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Report) Regulations 2008, to prepare the financial statements in accordance with SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRSE SORP 2015. In particular, charity law requires the Trustees, if they prepare accounts on an accrual basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to:-

- To prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law);
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the charity legislation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for the contents of the Trustees' report, and the accountant preparing the accounts has no responsibilities in relation to the Trustees' report.

This report was approved by the board of trustees on 28th October 2021.

Dr S Nadeem

Trustee

Independent examiner's report to the trustees of Sutton and Erdington Muslim Welfare Association

I report to the trustees on my examination of the accounts of the Sutton and Erdington Muslim Welfare Association (the Charity) for the year ended 31 August 2019.

Responsibilities and basis of report

As the charity trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the *Charities Act 2011* ('the Act').

I report in respect of my examination of the Charity's accounts carried out under s. 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under s. 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

(1) accounting records were not kept in respect of the Charity as required by section 130 of the Act; or

(2) the accounts do not accord with those records; or

(3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the *Charities (Accounts and Reports) Regulations 2008* other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

The Examiner's relevant professional qualification is: Chartered Certified Accountant

Virtus Financial Services
Chartered Certified Accountants
City Road, London.

The date upon which this report was completed is :- 28th October 2021

SCMA
Statement of Financial Activities
for the year ended 31 August 2019

		Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
	Notes	2019 £	2019 £	2019 £	2018 £
Income & Endowments					
<i>Income & Endowments from generated funds</i>					
Donations & legacies	4	119,858	-	119,858	151,174
Total income		119,858	-	119,858	151,174
<i>Raising funds</i>					
Costs of generating Donations & legacies		-	-	-	-
<i>Costs of charitable activities</i>	5	103,213	-	103,213	241,641
Total resources expended		103,213	-	103,213	241,641
Net income		16,645	-	16,645	(90,467)
Reconciliation of funds					
<i>Total funds brought forward</i>		441,278	1,000	442,278	532,745
Total Funds carried forward	12	457,923	1,000	458,923	442,278

All activities derive from continuing operations

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 12 to 20 form an integral part of these accounts.

Charity Balance Sheet
SCMA Balance Sheet as at 31 August 2019

	Notes	2019 £	2018 £
<i>The assets and liabilities of the charity :</i>			
Fixed assets			
Tangible assets	8	410,906	415,173
Total fixed assets		410,906	415,173
Current assets			
Debtors	9	12,788	29,955
Cash at bank and in hand		40,944	25,435
Total current assets		53,732	55,390
Creditors:-			
amounts due within one year	10	(5,715)	(2,785)
Net current assets		48,017	52,605
Total assets less current liabilities		458,923	467,778
Creditors:-			
Amounts falling due in more than one year	11	-	(25,500)
Net assets including pension asset / liability		458,923	442,278
<i>The funds of the charity :</i>			
Unrestricted income funds			
Unrestricted revenue accumulated funds	457,923	441,278	
Total unrestricted funds		457,923	441,278
Restricted income funds			
Restricted revenue accumulated funds	1,000	1,000	
Restricted capital funds			
Total restricted funds		1,000	1,000
Total charity funds	12	458,923	442,278

D S Nadeem
Trustee

Approved by the board of trustees on 28th October 2021

The notes on pages 12 to 20 form an integral part of these accounts.

Notes to the accounts

1. Accounting policies

Basis of preparation of the accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice 2015 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared, on a going concern basis, under the historical cost convention.

Income & Endowments

Income & Endowments are accounted for on a receivable basis.

Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting 2015 issued by the Charity Commissioners for England & Wales.

Resources Expended

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is:

Raising funds

The costs of raising funds shall include fundraising costs.

Charitable activities

Charitable expenditure shall include all expenditure directly related to the objects of the charity including the following:-

The cost of goods and services and ancillary trading costs that have been incurred in charitable activities. Any staff costs incurred as a direct result in delivering the charitable activities are therefore relevant salary costs that are treated as direct charitable expenditure.

Support costs of activities

Support costs of activities for charitable purposes comprising any costs including salary costs of any staff that are involved with supporting the charitable activities.

Governance costs

Governance costs shall include all expenditure directly incurred in the management of the charity's assets and compliance with charitable and statutory requirements.

Notes to the accounts (continued)

Allocation of costs within types of resources expended

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are:-

There are a number of costs, where it is impracticable to allocate these costs precisely between administration and charitable expenditure and the trustees have allocated such costs on the basis of reasonable estimates as follows :-

Staffing costs and related expenses

On the basis of salary costs and estimated time spent on different activities

Premises costs and related expenses

On the basis consistent with the use of resources.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities

Funds structure policy

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Notes to the accounts (continued)

2. Surplus for the financial year

	2019	2018
	£	£
This is stated after crediting:		
Revenue from ordinary activities	119,858	151,174
And after charging:		
Depreciation of owned fixed assets	4,267	4,340

3. Expenses paid to trustees

	2019	2018
	£	£
The aggregate amount of expenses paid to trustees was	Nil	Nil

4. Income & Endowments by Activity

	Court House	2019 Total	2018 Total
	£	£	£
<i>Income & Endowments from generated funds</i>			
Donations & legacies	119,858	119,858	151,174
Total Income	119,858	119,858	151,174

Notes to the accounts (continued)

<i>Raising funds</i>	-	-	-
<i>Costs of charitable activities</i>	103,213	103,213	241,641
<i>Governance costs</i>	-	-	-
Total resources expended	<u>103,213</u>	<u>103,213</u>	<u>241,641</u>
Net Income & Endowments by activity	<u>16,645</u>	<u>16,645</u>	<u>(90,467)</u>

5. Analysis of charitable expenditure by activity

	Court House	Total 2019	Total 2018
Nature of charitable expenditure	£	£	£
Activities undertaken directly	43,526	43,526	204,291
Support costs of charitable activities	59,687	59,687	37,350
Total charitable expenditure analysed by activity	<u>103,213</u>	<u>103,213</u>	<u>241,641</u>

An explanation of the main features of charitable expenditure is given in note 1 to the accounts

6. Analysis of Total Support Costs by Activity

	Court House	Total 2019	Total 2018
Nature of support costs	£	£	£
Religious Services	59,687	59,687	37,350
Total support costs analysed by activity	<u>59,686</u>	<u>59,686</u>	<u>37,350</u>

Notes to the accounts (continued)

7. Staff Costs and Emoluments	2019	2018
	£	£
Gross Salaries	16,400	-
Employer's National Insurance	-	-
Pension costs	349	-
	<hr/> 16,749	<hr/> -
Numbers of full time equivalents employees	2019	2018
Religious Services	1	Nil

Volunteers have donated an unquantifiable amount of time to SCMA which is impossible to reflect.

There were no fees or other remuneration to the trustees.

There were no employees with emoluments in excess of £60,000 per annum.

Notes to the accounts (continued)

8. Tangible functional fixed assets

	Freehold Land and buildings £	Fixtures and Fittings £	Total £
Asset cost, valuation or revalued amount			
At 1 September 2018	440,336	3,085	443,421
At 31 August 2019	440,336	3,085	443,421
Accumulated depreciation and impairment provisions			
At 1 September 2018	25,769	2,479	28,248
Depreciation on revaluation	-	-	-
Charge for the year	4,146	121	4,267
At 31 August 2019	29,915	2,600	32,515
Net book value			
At 31 August 2018	414,567	606	415,173
At 31 August 2019	410,421	485	410,906

Notes to the accounts (continued)

9. Debtors

	2019	2018
	£	£
Other Debtors (Gift Aid and insurance prepayment)	12,788	29,955

10. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	-	2,785
Accruals	5,715	-

11. Creditors: amounts falling due in more than one year

	2019	2018
	£	£
Unsecured loans	-	25,500

Unsecured loans are loans taken from members of the community.

12. Analysis of assets and liabilities representing funds

At 31 August 2019

	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
Tangible Fixed Assets	410,906	-	410,906
Current Assets	52,732	1,000	53,732
Current Liabilities	(5,715)	-	(5,715)
Long Term Liabilities	-	-	-
	<u>457,923</u>	<u>1,000</u>	<u>458,923</u>

Notes to the accounts (continued)

At 1 September 2018	Unrestricted Funds	Restricted funds	Total Funds
Tangible Fixed Assets	415,173	-	415,173
Current Assets	54,390	1,000	55,390
Current Liabilities	(2,785)	-	(2,785)
Long Term Liabilities	(25,500)	-	(25,500)
	<u>441,278</u>	<u>1,000</u>	<u>442,278</u>

The individual funds included above are :-

	Funds at 2018	Movements in Funds as below	Transfers Between Funds	Funds at 2019
	£	£	£	£
Court House	<u>442,278</u>	<u>16,645</u>	<u>-</u>	<u>458,923</u>
	<u>442,278</u>	<u>16,645</u>	<u>-</u>	<u>458,923</u>

Analysis of movements in funds as shown in the table above

	Income & Endowments £	Outgoing Resources £	Gains & Losses £	Movement in funds £
Court House	<u>119,858</u>	<u>103,213</u>	<u>-</u>	<u>16,645</u>
	<u>119,858</u>	<u>103,213</u>	<u>-</u>	<u>16,645</u>

Notes to the accounts (continued)

13. Endowment Funds

The charity had no endowment funds in the year ended 2019 or in the year ended 2018.

14. Related Parties

There are no known related parties.