

REGISTERED CHARITY NUMBER: 1145777

**Report of the Trustees and
Financial Statements for the Year Ended 31 January 2021
for
Masjid Abu Bakr**

**Prestons & Jacksons Partnership LLP
364 - 368 Cranbrook Road
Ilford
Essex
IG2 6HY**

Masjid Abu Bakr

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Masjid Abu Bakr

Report of the Trustees for the Year Ended 31 January 2021

Chairman Forward

In the name of Allah the gracious and most merciful, we management committee have now passed the year 2020 - 2021. Now that we have purchased 27 Somers Road, E17 6RU property. We are working on raising funds as quickly as possible so that we can pay off our loans and start utilizing our properties for community services.

On behalf of management, we would like to thank all of those who have supported the vision for this big project and donated or loaned money to the Masjid, but also those who could not donate due to financial difficulties but shared and encouraged others to give. We would like to greatly thank the staff and volunteers who helped to raise the amount by tapping into their contacts. May Allah accept these efforts and reward all the donors.

Despite it still be a COVID-19 pandemic, the virus has slowed down, and things have been better. We were able to keep our Masjid open and provide our day-to-day services including our Madrasa.

We pray that the coming year is a more safe and fruitful one insha'allah.

Mohammed Asim Razaq

Masjid Abu Bakr

Report of the Trustees for the Year Ended 31 January 2021

OBJECTIVES AND ACTIVITIES

Objectives, Aims and Public Benefits

Prayer facilities

Masjid Abu Bakr offers a wide range of regular activities and services to cater for the diverse needs of our community. Being in a prime location for people who are working or shopping in town centre, we aim to keep our doors open for Fajr and then from 9:30 to the last prayer of the day, Esha. Details of services that take place throughout the day are detailed below.

Additionally, we always understand the need to have a member of staff or volunteer on site who can be approached to assist you in your needs. The Masjid can accommodate up to 500 worshippers within its building and when needed utilizes the open courtyard space to accommodate additional 200 people.

However, due to the lockdown from March, our doors were closed and we offered our service virtually. Once we reopened, we staggered an incremental opening of each prayer starting from 1 prayer then gradually opening up for all 5 prayers. We recruited volunteers in order to man the track and trace, hand sanitising, enforcing masks and placing worshippers at their allocated prayer places. Without the volunteers, without doubt we would not have been able to make sure the Masjid was keeping to its risk assessment. Our staff and volunteers have been overstretched and working hard, for this reason they deserve all due respect and gratitude.

5 daily prayers

Masjid offers 5 daily congregational prayers lead by MI Huzaifa and MI Mohammed Moreea. The timing of each salah can be found on the yearly calendar, monthly Newsletter, Masjid's Website, Phone app such as and My mosque and Masjid Timetable and too can be found displayed in the main hall clock.

During the lockdown we would audio stream our prayers so that all could still benefit from listening into the service. Once we reopened our capacity was reduced due to the social distancing whilst praying.

Jumuah

Jumuah being the busiest time of the week, Masjid provides 2 services to accommodate the needs of locals and those who are working or travelling in Walthamstow Central. Masjid courtyard is used to avoid worshippers from Praying on outside footpath. On Average, over 1,000 people attend the Friday afternoon prayer and benefit from English lecture (Bayaan) followed by Khutbah in Arabic and then Salah.

Once lockdown had been removed, we still implemented a booking policy. The worshippers were required to make a booking for the Jumuah congregational prayer. This enabled us to control capacity whilst ensuring attendees are kept safe.

Ramadan

Ramadan being the most blessed month draws more worshippers than any other month. To benefit the large numbers of people attending during these blessed days, daily Dais lessons were delivered by Imams and special guests to educate people on aspects of Deen and to increase one's Imaan. We were fortunate to have Mufti Abdur Rahman ibn Yusuf Mangera delivering talks throughout Ramadan.

Due to Ramadan being in the summer months, fasting days were the longest therefore Tarawih salah were held late evenings at 10:40. This caused inconvenience to our neighbours with people parking on side road late at night and early hours in the morning, similarly the noise of people talking when leaving the premises also found to be cause of concern to us all.

Masjid Abu Bakr

Report of the Trustees for the Year Ended 31 January 2021

Regular reminders were made to tackle noise issues and all worshippers were advised to avoid parking on Mansfield road. We aim to work closely with those worshippers and neighbours to resolve the above issue.

For 2021, we were able to have worshippers in the masjid praying. Due the conditions for COVID-19, we were not at full capacity.

Madrasah

2020 was a very different experience for Madrasah due to lockdowns. We closed the Madrasah for 1 week to formulate a plan and get trained to run classes virtually. The days lost were subsequently made up. Staff, students and parents were quick to adjust to the temporary arrangements. Virtual provision also helped broaden our long-term development strategies. Overall, we had 250 students. 49 new students enrolled. 71 students left during the year - a 10% increase from previous years - the biggest factor for which was dissatisfaction with virtual education. Subject covered in the curriculum are:

Events & Activities

Parents teacher meetings and parent inductions were held virtually. A special online event was arranged at the start of Ramadan. Due to Ramadan being under lockdown, we mobilised a team of volunteers who delivered gift packs to every child's house before Eid. Pupils conducted various performances online in the end of year Awards Ceremony.

Public benefit

The trustees confirmed they have had regard to the Charity Commission's guide on public benefits.

FINANCIAL REVIEW

Reserves policy

The charity aims to maintain reserves sufficient to cover six months of expenses which equate to approximately £104,773 (excluding depreciation). Cash at bank and in hand at 31 January 2021 amounted to £79,491 the trustees consider this figure to be below the standard they require and are actively planning to raise the funds.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Recruitment and appointment of new trustees

New trustees can be appointed from the existing paid members of the Trust. Member willing to become trustee shall have to submit the "Trustees Appointment Form" duly filled to the Trust Office which is then considered for voting in the coming meeting of Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1145777

Principal address

26A Mansfield Road
Walthamstow
E17 6PJ

Masjid Abu Bakr

**Report of the Trustees
for the Year Ended 31 January 2021**

Trustees

Chairman - Mohammed A Razaq
Secretary - Abdur Rahman Majid
Treasurer - Syed Jamaal Rashid
Assistant Secretary - Mohsin Vaid
Assistant Treasurer - Kamran Anwar

Independent Examiner

Anwer Patel, BA(Hons), FCA, BFP
ICAEW
Prestons & Jacksons Partnership LLP
364 - 368 Cranbrook Road
Ilford
Essex
IG2 6HY

Approved by order of the board of trustees on 25/01/2022 and signed on its behalf by:


.....

Trustee

Mohammed Asim Razaq

Independent Examiner's Report to the Trustees of Masjid Abu Bakr

Independent examiner's report to the trustees of Masjid Abu Bakr

I report to the charity trustees on my examination of the accounts of Masjid Abu Bakr (the Trust) for the year ended 31 January 2021.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.


Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

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 Trust 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.



Anwer Patel, BA(Hons), FCA, BFP
ICAEW
Prestons & Jacksons Partnership LLP
364 - 368 Cranbrook Road
Ilford
Essex
IG2 6HY

Date: 25/1/22

Masjid Abu Bakr

Statement of Financial Activities for the Year Ended 31 January 2021

	Notes	Unrestricted funds £	Restricted fund £	31.1.21 Total funds £	31.1.20 Total funds £
INCOME FROM					
Donations		269,677	11,869	281,546	120,866
Charitable activities	4				
JRS Grant		6,358	-	6,358	-
Other Fundraising activities	2	68,272	17,801	86,073	82,294
Investment income	3	15,862	-	15,862	18,930
Total		360,169	29,670	389,839	222,090
EXPENDITURE ON					
Raising funds		741	-	741	9,075
Charitable activities					
Charitable Activity		149,073	32,814	181,887	197,216
Support Cost		39,850	-	39,850	22,531
Total		189,664	32,814	222,478	228,822
NET INCOME/(EXPENDITURE)		170,505	(3,144)	167,361	(6,732)
Transfers between funds	14	7,673	(7,673)	-	-
Net movement in funds		178,178	(10,817)	167,361	(6,732)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,051,182	10,817	2,061,999	2,068,731
TOTAL FUNDS CARRIED FORWARD		2,229,360	-	2,229,360	2,061,999

The notes form part of these financial statements

Masjid Abu Bakr

Balance Sheet 31 January 2021

	Notes	31.1.21 £	31.1.20 £
FIXED ASSETS			
Tangible assets	8	1,913,946	1,373,624
Investment property	9	600,000	600,000
		<u>2,513,946</u>	<u>1,973,624</u>
CURRENT ASSETS			
Stocks	10	3,689	3,087
Debtors	11	12,275	3,981
Cash at bank and in hand		79,491	85,147
		<u>95,455</u>	<u>92,215</u>
CREDITORS			
Amounts falling due within one year	12	(380,041)	(3,840)
		<u>(284,586)</u>	<u>88,375</u>
NET CURRENT ASSETS			
		<u>(284,586)</u>	<u>88,375</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>2,229,360</u>	<u>2,061,999</u>
NET ASSETS		<u>2,229,360</u>	<u>2,061,999</u>

The notes form part of these financial statements

Masjid Abu Bakr

Balance Sheet - continued
31 January 2021

FUNDS

14

Unrestricted funds:

General fund

356,360

178,182

Revaluation Reserves

1,873,000

1,873,000

2,229,360

2,051,182

Restricted funds:

Restricted

-

10,817

TOTAL FUNDS

2,229,360

2,061,999

The financial statements were approved by the Board of Trustees and authorised for issue on
.....25/01/2022..... and were signed on its behalf by:

M. Razay

Trustee

Mohammed Asim Razay

A.R. Majid

Trustee

Abdur Rehman Majid

The notes form part of these financial statements

Masjid Abu Bakr

Notes to the Financial Statements for the Year Ended 31 January 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised when the charity receives them.

Madrasah fees are recognised on a receivable basis.

Rental income is recognised on receivable basis.

Expenditure and irrecoverable vat

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets

Tangible fixed assets are stated at historical cost/ or on a revaluation basis (deemed cost for land and buildings) less accumulated impairment losses. historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is not charged on the deemed value of land.

Depreciation is charged so as to allocate the costs of assets less their residual value over their estimated useful lives, using either a straight line or reducing balance method, as indicated below.

Depreciation is provided on the following basis:

Land & Property - 1% Straight Line

Plant and Machinery - 20% Straight Line

Masjid Abu Bakr

Notes to the Financial Statements - continued for the Year Ended 31 January 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Investment property

Investment properties are properties that are held for financial gain, either through rental income or capital appreciation. Investments properties are revalued annually and are stated at fair value.

Investment property is stated at deemed cost as per paragraph 35.10D FRS 102.

Any gains/losses on revaluation are transferred to the statement of financial activities.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The charity has been impacted by Covid-19 as it ceased congregational activities in line with Government guidelines and some of the staff were put on furlough. However, donations have been received throughout this time and the trustees consider the charity to be able to continue its operations. It is for this reason the accounts have been prepared on going concern basis.

Masjid Abu Bakr

Notes to the Financial Statements - continued for the Year Ended 31 January 2021

2. OTHER FUNDRAISING ACTIVITIES

	31.1.21	31.1.20
	£	£
Madrassah Fees	66,185	74,097
Shop income	2,087	8,197
Funeral Income	17,801	-
	<u>86,073</u>	<u>82,294</u>

3. INVESTMENT INCOME

	31.1.21	31.1.20
	£	£
Rents receivable	<u>15,862</u>	<u>18,930</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.1.21	31.1.20
		£	£
Grants	JRS Grant	<u>6,358</u>	<u>-</u>

Grants received, included in the above, are as follows:

	31.1.21	31.1.20
	£	£
Govt Grant JRS	<u>6,358</u>	<u>-</u>

5. INDEPENDENT EXAMINERS' REMUNERATION

Independent Examiners' remuneration for the year ended 31st January 2021 was £1,920 (2020 - £2,040)

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 January 2021 nor for the year ended 31 January 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 January 2021 nor for the year ended 31 January 2020.

Masjid Abu Bakr

Notes to the Financial Statements - continued for the Year Ended 31 January 2021

7. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.1.21	31.1.20
Charity and operations	<u>14</u>	<u>17</u>

No employees received emoluments in excess of £60,000.

Trustees consider themselves to be key management personal. There was no remuneration paid for these services.

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 February 2020	1,400,000	15,967	1,415,967
Additions	553,214	-	553,214
At 31 January 2021	<u>1,953,214</u>	<u>15,967</u>	<u>1,969,181</u>
DEPRECIATION			
At 1 February 2020	30,000	12,343	42,343
Charge for year	9,699	3,193	12,892
At 31 January 2021	<u>39,699</u>	<u>15,536</u>	<u>55,235</u>
NET BOOK VALUE			
At 31 January 2021	<u>1,913,515</u>	<u>431</u>	<u>1,913,946</u>
At 31 January 2020	<u>1,370,000</u>	<u>3,624</u>	<u>1,373,624</u>

The Land value of £800,000 (2020: £800,000) included in cost of land and buildings which is not depreciated.

The amount of £1,318,000 (2020: £1,318,000) included in the cost of land and buildings which is related to revaluation of the freehold property, this has been shown in the revaluation reserve included in the general reserve.

Masjid Abu Bakr

Notes to the Financial Statements - continued for the Year Ended 31 January 2021

9. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 February 2020 and 31 January 2021	<u>600,000</u>
NET BOOK VALUE	
At 31 January 2021	<u>600,000</u>
At 31 January 2020	<u>600,000</u>

The investment property is stated at its fair value determined by trustees. The increase in fair value £550000 (2020: £550000) has been shown in the revaluation reserve included in the general reserve.

10. STOCKS

	31.1.21	31.1.20
	£	£
Finished goods	<u>3,689</u>	<u>3,087</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.21	31.1.20
	£	£
Trade debtors	8,780	3,981
Other debtors	3,495	-
	<u>12,275</u>	<u>3,981</u>

Masjid Abu Bakr

Notes to the Financial Statements - continued for the Year Ended 31 January 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.21 £	31.1.20 £
Taxation and social security	206	-
Other creditors	379,835	3,840
	<u>380,041</u>	<u>3,840</u>

The other creditors include £317,915 is interest free loans from the community.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted fund £	31.1.21 Total funds £	31.1.20 Total funds £
Fixed assets	1,913,946	-	1,913,946	1,373,624
Investments	600,000	-	600,000	600,000
Current assets	95,455	-	95,455	92,215
Current liabilities	(380,041)	-	(380,041)	(3,840)
	<u>2,229,360</u>	<u>-</u>	<u>2,229,360</u>	<u>2,061,999</u>

14. MOVEMENT IN FUNDS

	At 1/2/20 £	Net movement in funds £	Transfers between funds £	At 31/1/21 £
Unrestricted funds				
General fund	178,182	170,505	7,673	356,360
Revaluation Reserves	1,873,000	-	-	1,873,000
	<u>2,051,182</u>	<u>170,505</u>	<u>7,673</u>	<u>2,229,360</u>
Restricted funds				
Restricted	10,817	(3,144)	(7,673)	-
	<u>10,817</u>	<u>(3,144)</u>	<u>(7,673)</u>	<u>-</u>
TOTAL FUNDS	<u>2,061,999</u>	<u>167,361</u>	<u>-</u>	<u>2,229,360</u>

Masjid Abu Bakr

Notes to the Financial Statements - continued for the Year Ended 31 January 2021

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	360,169	(189,664)	170,505
Restricted funds			
Restricted	29,670	(32,814)	(3,144)
TOTAL FUNDS	<u>389,839</u>	<u>(222,478)</u>	<u>167,361</u>

Comparatives for movement in funds

	At 1/2/19 £	Net movement in funds £	At 31/1/20 £
Unrestricted funds			
General fund	182,477	(4,295)	178,182
Revaluation Reserves	1,873,000	-	1,873,000
	<u>2,055,477</u>	<u>(4,295)</u>	<u>2,051,182</u>
Restricted funds			
Restricted	13,254	(2,437)	10,817
TOTAL FUNDS	<u>2,068,731</u>	<u>(6,732)</u>	<u>2,061,999</u>

Masjid Abu Bakr

Notes to the Financial Statements - continued for the Year Ended 31 January 2021

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	181,165	(185,460)	(4,295)
Restricted funds			
Restricted	40,925	(43,362)	(2,437)
TOTAL FUNDS	<u>222,090</u>	<u>(228,822)</u>	<u>(6,732)</u>

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 January 2021.

Masjid Abu Bakr

Detailed Statement of Financial Activities for the Year Ended 31 January 2021

	31.1.21 £	31.1.20 £
INCOME		
Donations		
Donations	281,331	117,217
Sponsorship, Nikkah & Events Income	215	3,649
	<u>281,546</u>	<u>120,866</u>
Other Fundraising activities		
Madrasah Fees	66,185	74,097
Shop income	2,087	8,197
Funeral Income	17,801	-
	<u>86,073</u>	<u>82,294</u>
Investment income		
Rents receivable	15,862	18,930
Charitable activities		
Grants	6,358	-
	<u>389,839</u>	<u>222,090</u>
Total incoming resources		
EXPENDITURE		
Raising donations and legacies		
Events Costs	220	1,208
Other trading activities		
Purchases	521	7,867
Charitable activities		
Wages	130,824	120,993
Social security	1,228	1,643
Pensions	1,111	995
Books & Madressa related costs	6,211	23,834
Iftar expenses	-	180
Carried forward	139,374	147,645

This page does not form part of the statutory financial statements

Masjid Abu Bakr

Detailed Statement of Financial Activities for the Year Ended 31 January 2021

	31.1.21 £	31.1.20 £
Charitable activities		
Brought forward	139,374	147,645
Sadaqah Donations	15,000	43,792
Funeral Expenses	17,814	-
Depreciation of tangible fixed assets	9,699	6,000
	<u>181,887</u>	<u>197,437</u>
Support costs		
Management		
Rates and water	463	407
Insurance	1,690	1,934
Light and heat	4,743	4,253
Telephone	468	535
Postage and stationery	762	1,910
Sundries	857	209
Cleaning Materials	1,064	3,017
Furniture & Equipment	1,935	401
Repairs & Renewals	18,660	1,976
CCTV, ICT & Audio	3,681	1,305
Literature disposal costs	-	450
Depreciation of tangible and heritage assets	3,193	3,193
	<u>37,516</u>	<u>19,590</u>
Governance costs		
Independent examiner's fee	1,920	2,040
Legal fees	414	680
	<u>2,334</u>	<u>2,720</u>
Total resources expended	<u>222,478</u>	<u>228,822</u>
Net income/(expenditure)	<u>167,361</u>	<u>(6,732)</u>

This page does not form part of the statutory financial statements