

BAITUL AZIZ ISLAMIC CULTURAL TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

BAITUL AZIZ ISLAMIC CULTURAL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Taz Ahmed Saiyeed Haque Aziz Miah Kholkur Rahman Mohammed Uddin
Charity number	292922
Principal address	1 Dickens Square Harper Road London SE1 4JL
Independent examiner	Richard F Hopper Chinthurst 30 St Stephens Hill Launceston Cornwall PL15 8HN

BAITUL AZIZ ISLAMIC CULTURAL TRUST

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 13

BAITUL AZIZ ISLAMIC CULTURAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's [governing document], the Charities Act 2011 and "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)".

Objectives and activities

The main policy adopted in furtherance of these objects is the running of a mosque in London and there has been no change in this during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

Achievements and performance

Details of the development, activities and achievements of the trust during the year are set out in the separate annual report.

Financial review

There was a surplus of donations received over costs incurred during the year as shown in the attached accounts. The surplus will be put towards the remaining costs of completing the mosque building and repaying related loans.

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The trust was established by a charitable trust deed on 2 October 1985.

The trustees who served during the year and up to the date of signature of the financial statements were:

Taz Ahmed

Saiyeed Haque

Aziz Miah

Kholkur Rahman

Mohammed Uddin

New trustees are appointed by existing trustees as need arises.

The trust is overseen by the trustees who meet regularly during the year. Imams are employed to lead the worship services, teach the Islamic faith, look after the mosque and assist in the religious performances preparatory to the congregational prayers. They also provide advice on moral upbringing to help reduce drug-taking and other ills affecting society. The trustees expect to soon introduce a core curriculum syllabus for boys and girls.

The trustees' report was approved by the Board of Trustees.

BAITUL AZIZ ISLAMIC CULTURAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Kholkur Rahman

.....
Kholkur Rahman

Trustee

Dated: Feb 02 2022

BAITUL AZIZ ISLAMIC CULTURAL TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BAITUL AZIZ ISLAMIC CULTURAL TRUST

I report to the trustees on my examination of the financial statements of Baitul Aziz Islamic Cultural Trust (the trust) for the year ended 31 December 2019.

Responsibilities and basis of report

As the trustees of the trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

Since the trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

Richard Hopper

Richard F Hopper

Chartered Accountant
Chinthurst
30 St Stephens Hill
Launceston
Cornwall
PL15 8HN

Dated: Feb 02 2022
.....

BAITUL AZIZ ISLAMIC CULTURAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes						
Income from:							
Donations and legacies	3	257,005	4,775	261,780	236,826	4,550	241,376
Charitable activities	4	1,369	-	1,369	1,159	-	1,159
Total income		258,374	4,775	263,149	237,985	4,550	242,535
Expenditure on:							
Charitable activities	5	127,739	6,596	134,335	129,028	6,545	135,573
Net income/(expenditure) for the year/ Net movement in funds		130,635	(1,821)	128,814	108,957	(1,995)	106,962
Fund balances at 1 January 2019		1,929,190	189,710	2,118,900	1,820,233	191,705	2,011,938
Fund balances at 31 December 2019		2,059,825	187,889	2,247,714	1,929,190	189,710	2,118,900

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

BAITUL AZIZ ISLAMIC CULTURAL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		2,306,398		2,312,670
Current assets					
Debtors	11	1,896		690	
Cash at bank and in hand		267,261		173,831	
		<u>269,157</u>		<u>174,521</u>	
Creditors: amounts falling due within one year	13	<u>(327,841)</u>		<u>(368,291)</u>	
Net current liabilities			(58,684)		(193,770)
Total assets less current liabilities			<u>2,247,714</u>		<u>2,118,900</u>
Income funds					
Restricted funds	14	187,889		189,710	
Unrestricted funds		2,059,825		1,929,190	
		<u>2,247,714</u>		<u>2,118,900</u>	

The financial statements were approved by the Trustees on Feb 02 2022

Kholkur Rahman

 Saiyeed Haque
Trustee

Kholkur Rahman

 Kholkur Rahman
Trustee

BAITUL AZIZ ISLAMIC CULTURAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Baitul Aziz Islamic Cultural Trust is an unincorporated charitable trust.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's constitution, the Charities Act 2011 and "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)". The trust is a Public Benefit Entity as defined by FRS 102.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Resources expended

Expenditure is charged in the accounts at the time when a liability to make payment is incurred.

BAITUL AZIZ ISLAMIC CULTURAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	over life of lease
Leasehold improvements	over life of lease
Fixtures, fittings & equipment	10% p.a. on cost
Motor vehicles	10% p.a. on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

BAITUL AZIZ ISLAMIC CULTURAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Donations and gifts	257,005	4,775	261,780	236,826	4,550	241,376

BAITUL AZIZ ISLAMIC CULTURAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Charitable activities

	2019 £	2018 £
Sales of calendars	1,369	1,159

5 Charitable activities

	Mosque activities 2019 £	Mosque activities 2018 £
Staff costs	62,807	63,123
Other direct activities costs	1,515	1,284
	64,322	64,407
Grant funding of activities (see note 6)	696	-
Share of support costs (see note 7)	68,441	70,314
Share of governance costs (see note 7)	876	852
	134,335	135,573
Analysis by fund		
Unrestricted funds	127,739	129,028
Restricted funds	6,596	6,545
	134,335	135,573
For the year ended 31 December 2018		
Unrestricted funds	129,028	
Restricted funds	6,545	
	135,573	

BAITUL AZIZ ISLAMIC CULTURAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Grants payable

	Mosque activities 2019 £	2018 £
Grants to individuals	696	-
	<u>696</u>	<u>-</u>

-

7 Support costs

	Support costs £	Governance costs £	2019 £	Support costs £	Governance costs £	2018 £
Staff costs	7,070	-	7,070	6,560	-	6,560
Depreciation	29,266	-	29,266	28,114	-	28,114
Premises costs	29,321	-	29,321	33,197	-	33,197
Administration costs	2,784	-	2,784	2,443	-	2,443
Accountancy	-	876	876	-	852	852
	<u>68,441</u>	<u>876</u>	<u>69,317</u>	<u>70,314</u>	<u>852</u>	<u>71,166</u>
Analysed between Charitable activities	<u>68,441</u>	<u>876</u>	<u>69,317</u>	<u>70,314</u>	<u>852</u>	<u>71,166</u>

Governance costs includes payments to the independent examiner of £876 (2018- £852) for independent examination and accountancy fees.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed any expenses (2018- none were reimbursed).

BAITUL AZIZ ISLAMIC CULTURAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Imams	3	3
Others	1	1
	<u>4</u>	<u>4</u>

Employment costs

	2019 £	2018 £
Wages and salaries	69,218	69,210
Other pension costs	659	473
	<u>69,877</u>	<u>69,683</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Tangible fixed assets

	Land and buildings £	Leasehold improvements £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2019	61,702	2,444,380	75,456	-	2,581,538
Additions	-	12,244	1,730	9,020	22,994
Disposals	-	-	(119)	-	(119)
At 31 December 2019	<u>61,702</u>	<u>2,456,624</u>	<u>77,067</u>	<u>9,020</u>	<u>2,604,413</u>
Depreciation and impairment					
At 1 January 2019	6,421	215,430	47,017	-	268,868
Depreciation charged in the year	247	24,092	4,025	902	29,266
Eliminated in respect of disposals	-	-	(119)	-	(119)
At 31 December 2019	<u>6,668</u>	<u>239,522</u>	<u>50,923</u>	<u>902</u>	<u>298,015</u>
Carrying amount					
At 31 December 2019	<u>55,034</u>	<u>2,217,102</u>	<u>26,144</u>	<u>8,118</u>	<u>2,306,398</u>
At 31 December 2018	<u>55,281</u>	<u>2,228,950</u>	<u>28,439</u>	<u>-</u>	<u>2,312,670</u>

BAITUL AZIZ ISLAMIC CULTURAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

11 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Prepayments and accrued income	1,896	690

12 Loans and overdrafts

	2019 £	2018 £
Other loans	324,945	365,800
Payable within one year	324,945	365,800

The loans are unsecured and carry no interest charge.

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Borrowings	324,945	365,800
Other creditors	139	89
Accruals and deferred income	2,757	2,402
	327,841	368,291

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2018	Incoming resources	Resources expended	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 31 December 2019
	£	£	£	£	£	£	£
Building							
Fund	190,966	4,550	(6,455)	189,061	4,775	(6,506)	187,330
Equipment	739	-	(90)	649	-	(90)	559
	191,705	4,550	(6,545)	189,710	4,775	(6,596)	187,889

BAITUL AZIZ ISLAMIC CULTURAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:						
Tangible assets	2,118,617	187,781	2,306,398	2,123,068	189,602	2,312,670
Current assets/ (liabilities)	(58,792)	108	(58,684)	(193,878)	108	(193,770)
	<u>2,059,825</u>	<u>187,889</u>	<u>2,247,714</u>	<u>1,929,190</u>	<u>189,710</u>	<u>2,118,900</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).