

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 2017

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)	<div> <div> Muhammad Habibur Rahman Muhammad Siddique Ayub Khan Mohammed Abdul Malik Abdul-Hayee Murshad Mohammed Abdur Rahim Kamaly Muhammad Abdul Bari Rahela Chowdhury Shafiur Rahman Sirajul Islam Aman Ali Mahera Ruby Mazhar Baqaullah Khan Sayeda Anzumara Begum Sirajul Islam (Hira) </div> <div> (Chairman) (Vice Chairman) (Honorary Secretary) (Treasurer) </div> </div>
Company Secretary	Ayub Khan
Executive 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
Solicitors	Saunders Roberts, 1 Crown Court Yard, Bridge Street, Evesham, WR11 4RY

TRUSTEES' ANNUAL REPORT

OBJECTS AND PUBLIC BENEFIT

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

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

In pursuance of its charitable objects, the East London Mosque Trust hosts a wide range of services and activities for the benefit of the public.

ACTIVITIES

The East London Mosque Trust ('Trust') opens its complex to the public every day of the year, offering a wide range of services and facilities. At the core are religious services, including performance of all the daily prayers. At its peak, around 7000 people can pray together using well-maintained spaces in the East London Mosque and adjoining London Muslim Centre and Maryam Centre, accessible to men, women and children, and those with disabilities. It is one of the largest and busiest Islamic centres offering not just congregational prayers, but the opportunity to learn about the religion of Islam.

The Trust has full-time primary and secondary schools that meet all the standards for independent schools. It also offers educational opportunities for children and adults in evenings and at weekends.

The mosque hosts a wide range of services for both Muslims and non-Muslims, often in partnership with others. Forging relationships with others for the common good is a hallmark of our work, especially our interfaith work. The value of such relationships is particular felt in the aftermath of tragedies such as the Westminster terrorist attack (and others after this reporting period), where the Mosque takes a lead in setting a proper and meaningful response.

Our popular Visitor Centre not only allows non-Muslim visitors to see what it is like in a mosque, but also to find out more about Islam and Muslims. We now offer accredited short courses based in the Visitor Centre along these lines, which are very well subscribed. It is also increasingly popular for school visits. The Trust is able to give a true account of Islam and the beliefs of Muslims, helping us to foster understanding, and to challenge Islamophobia. All this helps us to enhance the protection of the Trust's reputation.

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 the Trust's hiring policy and, where applicable, our Event & Speakers policy, to ensure our facilities are used in accordance with our charitable status, and in a manner that doesn't harm our reputation.

Our congregation and community are extremely generous when it comes to charitable giving. Their support for the Trust in the financial year amounts to well over £1.5 million in donations and other fundraising. Clearly, they have taken to heart the saying of Prophet Muhammad, peace be upon him, "Wealth does not decrease through charity," as they also surpassed themselves this year, raising a record of over £286,000 for other UK registered charities who we allow to hold collections in the mosque for their good causes.

Volunteering

The core of the Trust's volunteering is provided by Jamiatul-ul-Muslimin, which nowadays is a part of the Trust. Its volunteers provide stewarding for Friday prayers, Ramadan, Eid and other special occasions; there are about 50 active volunteers giving approximately 2 hours per week, which increases to 3 hours per day in Ramadan. There is additional volunteering provided through Maryam Women's Services, and other volunteers are recruited for occasions such as Ramadan and fundraising initiatives. Volunteers receive training, such as in customer service. It is estimated their contribution of time saves the Trust around £146,000 per year. We appreciate their invaluable contribution.

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

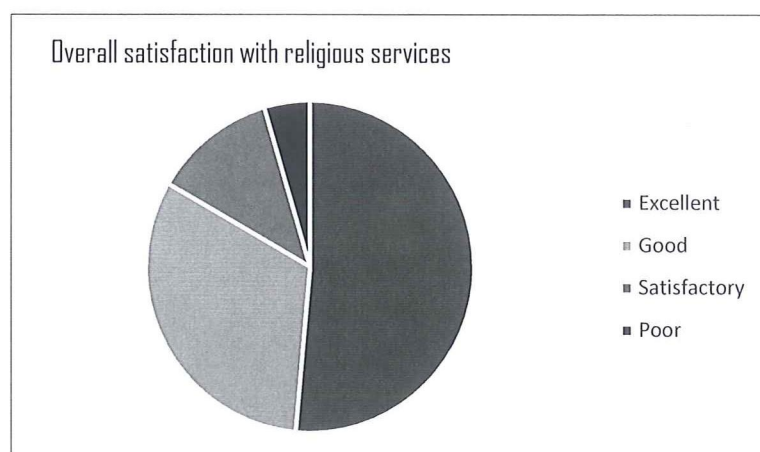
STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

Religious Projects and Services

Attendance figures remain high, but this is not the only measure of performance. This year the Trust undertook a survey of users, receiving over 500 responses across the whole age range, from both men and women. Religious services achieved consistently high satisfaction levels of over 90%, with a highest proportion rating them as excellent, the next highest as good, and thereafter satisfactory. Only a small number rated religious services as poor. Respondents reflected the diversity of the congregation, and showed almost 40% were non-local.



People can listen to prayers and lectures given in the main prayer hall from home through dedicated digital radios; this service has now been extended to the internet and smart phones.

Prayer Facilities

The mosque is open to the public every day from 10am to 9pm (later in the summer months). The average weekly footfall for prayers is 29,000 people, rising to 62,000 in Ramadan (a small increase compared to last year). The Friday Jum'ah prayer congregation averaged at 5,356 worshippers in the calendar year 2016, peaking at 7,021 on the busiest Friday. The Friday sermon is delivered in up to three languages, plus British Sign Language for deaf worshippers; it is streamed live on Facebook, and made available on the ELM website for download.

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 authentic Islamic teachings helps prevent misunderstanding, aids the spiritual and academic growth of worshippers in a safe environment, and helps counter extremism.

Public satisfaction survey with religious services

The Trust undertook a public satisfaction survey from 5 December 2016 to 6 January 2017, to gain some insight into perceptions about its services and facilities. There were 620 respondents, split 55.5%/44.5% male/female, covering all age groups. Just over 60% of respondents were local, with the same proportion describing themselves as regular users.

The results for religious services were as follows:

	%	Excellent	Good	Satisfactory	Poor
Congregational prayer					
<i>Punctual: starts on time</i>	78.4	18.8	2.5	0.3	
<i>Recitation: is clear and of high standard</i>	60.9	31.7	6.7	0.7	
<i>Announcements: clear, brief & relevant</i>	43.6	32.0	16.4	8.0	
Talks & seminars					
<i>Accessible: talks available at good times</i>	43.1	37.0	14.3	5.6	
<i>Suitable Topics: covers all topics expected</i>	38.0	39.1	16.0	6.9	
<i>Clear & Understandable: suitable language used</i>	46.9	35.4	12.9	4.8	
Friday sermons					
<i>Suitable Topics: relevant and appropriate subjects</i>	56.9	28.0	10.8	4.3	
<i>Clear & Understandable: suitable language used</i>	49.9	32.5	13.9	3.7	
<i>Engaging: listener & speaker response</i>	45.3	32.5	15.7	6.5	

Ramadan & Eid

Ramadan is always the busiest time of the year, with over 258,000 people praying in congregation during the month. 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, from 11pm to about 1am – over 100,000 bottles of free water were provided. Every evening the Mosque provided free meals for the breaking of the fast for an average of 540 men and women.

The Mosque held five congregational prayers on each of the two Eid mornings, catering for over 17,000 worshippers, who as ever came from across and even outside London.

Funerals

The Mosque facilitates funeral prayers almost on a daily basis, often several at a time – over 600 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.

Open Days and Visits to the Mosque

The Mosque hosts occasional open weekends, allowing non-Muslims to see what a Mosque is like on the inside, observe Muslims at prayer, and find out more about Islam and the Muslim community.

The Mosque welcomed over 700 visitors on Sunday 5th February for the national Visit My Mosque Day. Visitors were provided guided tours over tea and cakes, as they learned more about Islam and how Muslims practise their faith. This year's theme highlighted efforts to support local causes, with information stalls from MADE (a local NGO), Richard House Children's Hospice, Providence Row and Eden Care.

Almost every week the Mosque receives visitors, such as schools, higher education institutions and other tour operators, and individuals popping in off the street. The Mosque aims to dispel misconceptions and create constructive relationships in wider society. We continue to deliver accredited cultural awareness courses for professionals working in the public, voluntary and faith sectors, which have proved very popular. These courses also help to address the growing issue of Islamophobia.

Education

Al Mizan School & London East Academy

Al-Mizan is a full-time primary school, the London East Academy (LEA) is a full-time secondary school, both currently for boys, with a single governing body and headteacher. Its governing body is a Trust committee.

Ofsted made another visit to Al Mizan in October 2016, and judged the school to have met all standards. Inspectors found that Al Mizan pupils make expected or better age-related progress in the subjects examined by the inspection. They also stated that the leaders and governors have created a strong safeguarding ethos in the school and praised the leadership team and governors.

Al Mizan applied to the DfE to become a coeducational, so in March 2017 Ofsted made a visit in response to the application and found the school to have met all standards required to become coeducational.

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 9 classes with 164 students in total. There are 11 members of staff: 1 headteacher, 9 teachers and 1 administrator. The Madrasah has relevant child protection training, DBS checks, and staff workshops to maintain and improve teaching standards. The Madrasah had a full review by Faith Associates, who checked all aspects of the institution, then produced a report with suggestions for strengthening the Madrasah.

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 girls aged 12 to 18, and some courses for adult women.

The Trust supports several other supplementary educational projects based in its complex: Saturday Islamic School, Al Shafie Institute, Al Qalam, Jibreel Institute, Rainbow House and Aspiring Minds. The Trust has compiled information on all these projects, and will now look to reduce duplication and raise standards further.

Social Welfare

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

Religious Advice and Support

The Mosque deals with many people seeking advice and guidance on religious matters from its Imams, on issues such as marriage, mental issues, inheritance, family and business matters. There was an average of 144 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 to help address the issue of marriage in the Muslim community.

Legal advice

Pro Bono in the LMC (PBLMC) is a free legal advice service, run by volunteer practising barristers, solicitors and Cilex executives, 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.

In the past year PBLMC gave legal advice in 220 cases from the London Borough of Tower Hamlets. It is usually initial advice, such as explaining a legal letter, writing a letter, or explaining proceedings or aspects of the law. Whilst most of PBLMC's clientele are Muslims, non-Muslims also come to PBLMC for legal help. In 2016 the non-Muslim clientele was estimated to be about 40% of the total number of people who sought advice.

PBLMC together with East London Mosque Trust hosted an event on Forced Marriage specifically on issues of capacity, where one of the marriage partners lacked, or was perceived to have lacked, capacity. Guest speakers included the Lord Justice MacFarlane (Court of Appeal), Clare Renton (Barrister), members from the Local Authority Mental Health Team and members from the Jewish community.

PBLMC helped in 8 cases that needed further assistance, such as by appearance in court, and signposted users to other advisors or to LawWorks (the solicitors' pro bono group) and Bar Pro Bono Unit (the barristers' pro bono group). There was one case that PBLMC members presented in court on behalf of a client.

Environmental issues

The Trust continued to work with MADE to promote environmental issues and fair trade. MADE has not been able to sustain the funding required to maintain its office in the LMC.

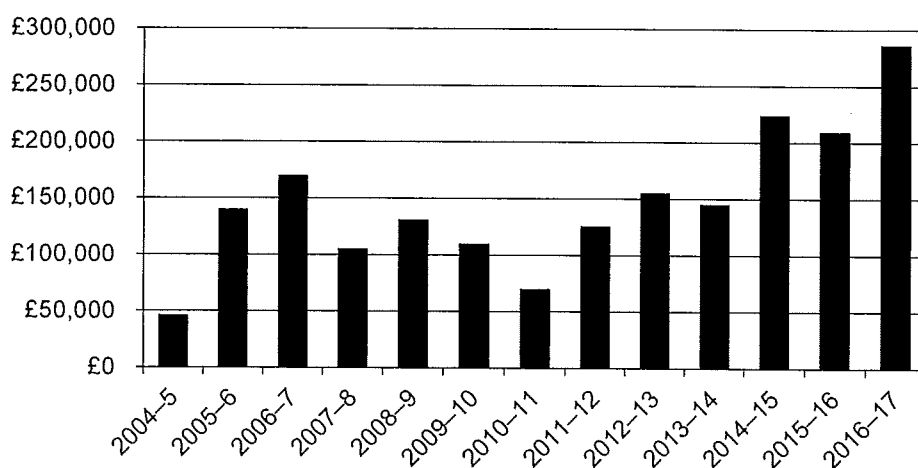
Services for women

More than 25 female user groups covering all ages use the Trust facilities on a weekly basis. 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, and a women-only gym based on the 6th floor to complement the men-only gym in the LMC basement.

Supporting charitable causes

The Trust allows UK registered charities to make fundraising appeals to the congregation for suitable charitable causes. It has many organisations seeking fundraising slots, especially in Ramadan, as the congregation is extraordinarily generous in charity giving. This reporting year broke previous records by a huge margin, with a total of £286,384 collected – an average of over £5,500 per week! More than half was collected in Ramadan.

Collections for UK charities



Community Cohesion

Working with others

In the wake of the terrorist attacks in London and Manchester, Islamophobia continued to increase. 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)
- Tower Hamlets Interfaith Forum
- Faiths Forum for London
- The Joseph's Interfaith Foundation /National Imams and Rabbis Council
- Tower Hamlets Tension Monitoring Group
- Faith Regen UK
- Tower Hamlets Council of Mosques
- Unite Against Fascism
- Tower Hamlets Police

The Trust also responded to the Grenfell Tower tragedy, raising funds and offering support through other Muslim organisations in the area.

Improving Relationships

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

The highly successfully national Visit My Mosque Day, which was widely advertised by the Trust and by the Muslim Council of Britain, and even promoted by Ben & Jerry's, attracted hundreds of visitors in February 2017. There was no shortage of tea and cakes, and some very interesting conversations about faith and worship.

The Media Officer has been working pro-actively to develop the Trust's PR activities. This included a partnership with Muslim Aid in December that set out to raise one tonne of food for London's homeless shelters, but incredibly raised over ten tonnes! He also engaged with senior editors of the press and high-profile journalists, the most notable being Jon Snow of Channel 4 News and Jonathan Grun, Editor of the Press Association.

The Trust has been working to counter a spike in Islamophobia after the Brexit vote last year, which has included engaging with the local authority and Police to reassure the community. The Media Officer, Executive Director and Trustees have given over twenty five interviews in the last 6 months alone, talking about Islamophobia and anti-Muslim hate crime.

As part of an improvement plan led by the Media Committee to improve communications and publications, the Mosque's latest Ramadan magazine was overhauled with fresh content and a new look.

Premises

Synagogue building

The Trust met its target to redevelop the Synagogue internally so it can be put to good use and generate income. The new tenant is the National Zakat Foundation, whose charitable purposes fit well with the Trust, providing a welcome public benefit that is appreciated by the community. The rental income contributes to the Trust's sustainability. The tenancy agreement is for an initial period of 5 years.

Phase 3 expansion

The Phase 3 expansion was expected to resume in 2017 after completion of the neighbouring hotel, but now it is more likely to be 2018. This work is a gift to the community by the property developer.

Centralised reception

Spatial planning for a centralised reception, along with ancillary developments, was completed, and will now be costed before initiating work in phases.

Archive strong room

The new archives strong room has been created in the Maryam Centre basement. The Archives Steering Group (ASG) is finalising the outfitting before moving the archive material to its new home.

Repairs and maintenance

As a very busy Mosque and Centre with a diverse range of users, it is challenging to maintain the premises to a high standard. In this period, our Maintenance Team carried out 1271 repairs and 19 major repairs. Our Premises Team does an excellent job of keeping the whole complex clean throughout the day.

Reception, Events & Security Satisfaction Survey

The ELMT public satisfaction survey sought views on Reception, Events & Security:

	%	<i>Excellent</i>	<i>Good</i>	<i>Satisfactory</i>	<i>Poor</i>
<i>Clear information & advice</i>	45.3	35.7	13.1	5.9	
<i>Professional & courteous: staff are polite</i>	47.0	29.7	16.0	7.3	
<i>Accessibility: easy to locate and access</i>	52.5	34.5	9.8	3.2	
<i>Booking enquiries: right information available</i>	40.6	37.2	16.1	6.1	
<i>Visible security: good coverage of security personnel</i>	38.1	31.5	20.2	10.2	

Cleanliness and Maintenance Satisfaction Survey

The ELMT public satisfaction survey sought views on cleanliness and maintenance:

	%	<i>Excellent</i>	<i>Good</i>	<i>Satisfactory</i>	<i>Poor</i>
Prayer Halls					
<i>Carpets are well maintained, no clutter</i>	65.2	28.8	5.3	0.7	
<i>Comfortable: not too hot or too cold</i>	59.3	29.4	8.4	2.9	
<i>Decoration: halls look nice and kept in good order</i>	61.2	28.5	8.4	1.9	
Wudu & Toilets					
<i>Clean and well maintained – male</i>	44.7	37.2	12.6	5.5	
<i>Clean and well maintained – female</i>	54.8	27.5	13.7	4.0	

Governance and Administration

The trustees recruited a Chief Executive Officer, due to start in the second half of 2017, with the current Executive Director set to become the Director of Finance & Community Engagement. This completes the planned organisational restructuring. The development of a strategic plan for the whole Trust has been put on hold until the new CEO is in place, so he can take a lead in its development.

Staff have received a wide range of training, including customer service, security, fire safety and more. The Trust joined the National Council for Voluntary Organisations so that staff and trustees could benefit from their resources and training opportunities.

The media strategy was put out to tender for external development. The successful tenderer began work on the strategy in early 2017, and completed delivery in June 2017.

The Trust reviewed security provision and decided to retain 24/7 cover by security guards, with additional guards on duty when necessary.

A new cloud-based HR system has been adopted; the aim is to complete the process of transferring staff data to the new system by the end of 2017. This will allow staff and managers to manage HR more effectively.

The Trust met its target to review all policies and procedures within a two-year cycle, with some policies reviewed annually, led by the Trust's Governance, Compliance and Audit Committee.

Fundraising, Income Generation and Investment Performance

Overall, the Trust's income is slightly higher this year, at £3.70m compared to last year's income of £3.64m. The expenditure is slightly lower than last year at £2.84m (last year £2.96m) resulting in a saving of £120k which is reflected in the increase in net income of £860k compared to £683k last year. The Statement of Financial Activities provides more details of other income sources.

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. This period continued with the following fundraising campaigns: Friday Giving; standing order campaign; appeal on Muslim TV channels in Ramadan; 27th night of Ramadan appeal; Muslim Charity Run and Ride 4 Your Mosque. Overall, the Trust exceeded its forecasted income and spent less than anticipated; compared to the previous year the overall net income increased by around 26%.

The Trust continues to focus fundraising appeals on raising funds for the shortfall in purchasing the Synagogue building in 2015, and for the construction costs of the Maryam Centre in 2013. The forecast for voluntary income was that it would go down by around 36% from last year, because donors have donated for the same projects for several years. In addition, there are appeals from many other mosques in Tower Hamlets who are undertaking major capital rebuilds. However, voluntary income generated in this reporting period actually decreased by only 6%. This is because the Trust managed to maintain a similar level of fundraising in the month of Ramadan by making 3 more appeals on TV. The Trust is adopting a new donation management system to improve efficiency and effectiveness in fundraising; this will be implemented over the course of the next year.

One of the Trust's objectives was to increase revenue from tenants, users and hirers by 10%. Overall, the Trust achieved a 22% increase from last year, due to the increase in rental income from the renting of additional investment properties and increases in rental value. However, the income from hall hire reduced by 6%. The halls and rooms of the London Muslim Centre and Maryam Centre are primarily used by Trust schools during the weekdays in term times, and hired by charity organisations and community groups at a discount to promote educational, social and religious activities. The Trust believes this is due to the challenge of increased competition locally from other venues, also due to enforcing stricter hiring conditions. The halls are also hired for Muslim wedding celebrations; the number of wedding hires has fallen as many people want facilities with greater capacity and better quality. Recently the Trust purchased better quality chairs, and is trying to improve its marketing to increase income.

Unfortunately, the full time schools have continued to operate in deficit in this reporting period, but the deficit has reduced by 33% from the previous year due to savings through efficiencies. The deficit is due to a decrease in student numbers, because of the failed Ofsted inspections in October 2014. The Trust had to invest more in

the schools to meet the required standards, which resulted in incurring more costs. The schools have made improvements over the last year and therefore are slowly regaining the confidence of the parents. The target is for the schools to come out of deficit by 2019, through increased fees and operating efficiencies.

PLANS FOR THE FUTURE

Governance and Administration

1. Appointment of Chief Executive Officer
2. Develop a corporate strategic plan for the Trust
3. Enhance skills and competencies of staff
4. Arrange induction and training for trustees in new term
5. Implement new cloud-based HR system

Fundraising and Income Generation

1. Increase surplus income to £1million
2. Develop investment asset portfolio to improve sustainability
3. Implement new donation management system
4. Ensure schools are in surplus by 2019

Projects and Services

1. Ensure full-time schools reach Ofsted's 'Good' standard
2. Evaluate options for provision of weekday evening education service for children
3. Identify and reduce duplication of projects and services
4. Limit risk of reputational damage from users
5. Develop the capacity and quality of the religious services
6. Improve the experience of visitors through use of Baraka Khan Visitor Gallery

Developing Relationships / Improving Image

1. Continue to develop productive relationships in civil society and with statutory bodies
2. Promote the good work of the Trust in mainstream society
3. Provide courses and seminars that give a balanced and contextual understanding of Islam
4. Implement the Trust's new media strategy

Assets & Premises

1. Improve maintenance and visual appearance of Trust's facilities
2. Continue to enhance the security of the complex
3. Develop plans for future development of Synagogue Building
4. Enhance administrative and reception facilities

FINANCIAL REVIEW

Principal Funding Sources

The Trust raised £1.55m through general donations (£1.65m in 2016), where £0.48m is restricted of which £0.33m is for the purchase of the Synagogue building located at 41 Fieldgate Street. The income from investment increased to £0.89m from £0.70m in 2016 due to letting of additional investment properties and increased rental value.

Restricted income is either the fees or donations received for individual projects like the London East Academy £0.52m (£0.48m in 2016), Al Mizan School £0.22m (£0.26m in 2016), ELM Evening Madrasah £72k (£65k in

2016), or specific grants received from funders to deliver projects, e.g. Archives project and Baraka Khan Visitor Centre.

Staff Remuneration

The Trust implements a pay scale for remuneration of staff. The scale was devised based on a survey of other charities, including Muslim charities, but with an adjustment downwards, especially at management level, as trustees believe the staff most likely to show dedication are those who value spiritual benefit more than financial. There was no increase in the scale in this reporting year, but trustees will implement a 1.5% increase in the next financial year.

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.

As per the Trust's investment policy, seven freehold/leasehold residential and commercial properties were purchased in recent years at a cost of £3.53m. The properties are generating a rental income of around £205k per annum, yielding a return of around 6%. The Trust also considers the LMC Business Wing to be a part of its investment strategy, in particular the businesses and charities based in the building and paying rent for the retail units and office spaces they occupy. The annual rental income from the LMC Business Wing is £232k per annum, yielding a return of 12% on the original investment of £1.9m (18% of the LMC build cost of £10.5m).

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 £0.45m. The actual free reserves in current assets at the end of the year were £1.05m, excluding all restricted funds. 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 has identified key risks in the areas of compliance, reputation, financial management, governance and operations. It has met its target to put in place measures to mitigate at least 95% of risks, and trustees are satisfied that these measures, backed by regular review, will ensure strong protection of the charity.

Amongst the key measures the Trust has in place are:

- DBS checks whenever appropriate for staff, volunteers and trustees
- scrutiny of policies and procedures by the Governance, Compliance and Audit Committee
- regular monitoring by trustees of the reserves policy and the risk register
- all suitable insurance policies

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

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

There is still a climate of Islamophobia, particularly from far-right extremists, which has intensified security concerns. The Trust maintains 24-hour security guard cover, and has invested further in physical security. The Trust continues to benefit from expert independent advice from MET Police counter-terrorism officers, which has included training for our staff.

The Trust continues to benefit substantially from short-term and medium-term interest-free loans from supporters, which has made it possible to undertake major development projects such as building the Maryam Centre and purchasing the Synagogue building. The balance of this loan had reduced to £5.55M at the end of this reporting period. This Trust now aims to maintain this support, to allow it to develop investments assets to produce sustainable income, with the long-term aim of reducing reliance on fundraising. There is a risk there might not be sufficient liquid funds in our bank accounts to meet an unexpectedly high demand for loan repayments. This risk would be mitigated by selling some of the investment properties. Furthermore, as the Trust has an excellent record of income generation and fixed assets, the trustees have approached one of its bankers who is willing to give a long-term Islamic bank loan if the need arises. We also have an excellent record of paying back these private loans by the deadline agreed with the lenders, so we can go back to some of our former lenders to assist with our cash flow if required.

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

Independent Auditors

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

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

The Board of Trustees typically meets every six weeks; in this reporting period they met 12 times. It has established three principal committees for effective governance:

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

The Trust considers the Executive Committee (currently consisting of the Trust's Chairman, Honorary Secretary, Treasurer, and the two most senior members of staff) to be the key management personnel. The delegation of decisions to committees is outlined in terms of references, and to staff in job descriptions. The Board of Trustees retains ultimate oversight of financial controls, the management of risks, significant developments, and in

A trustee induction procedure outlines steps for vetting trustees, key documents that are considered essential, and expectations for appropriate training.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 hence for 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 23 September 2017 and signed on its behalf by:



Muhammad Habibur Rahman
Chairman



Ayub Khan
Honorary Secretary

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

We have audited the financial statements of East London Mosque Trust for the year ended 31 March 2017, which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

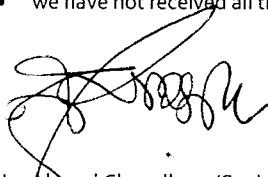
- the information given in the Trustees' Annual Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees Annual Report has been prepared in accordance with applicable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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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



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

Date: 25 September 2017

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted £	Restricted £	Total 2017 £	Total 2016 £
<u>Incoming Resources</u>					
Voluntary Income	3	1,068,496	478,932	1,547,428	1,646,960
Activities for Generating Funds	4	289,615	-	289,615	316,157
Investment Income	5	887,759	-	887,759	697,612
Income from Charitable Activities	6	-	899,125	899,125	919,176
Others Incoming Resources	7	74,421	-	74,421	61,857
Total Incoming Resources		2,320,291	1,378,057	3,698,348	3,641,762
<u>Resources Expended</u>					
Cost of Generating Voluntary Income	8	53,246	-	53,246	44,434
Fundraising Costs	9	123,484	-	123,484	185,766
Investment Costs	10	287,275	-	287,275	308,773
Charitable Activities Costs	11	708,610	1,041,223	1,749,833	1,861,563
Support and Governance Costs	12	623,204	660.00	623,864	557,589
Total Resources Expended		1,795,819	1,041,883	2,837,702	2,958,125
Net Income/Deficit Before Fund Movements		524,472	336,174	860,646	683,637
Gross Transfer Between Funds	23	(100,158)	100,158	-	-
Net Movement before other recognised gains and losses		424,314	436,332	860,646	683,637
Gains / (losses) on revaluation of Fixed assets	14,16	12,660,379		12,660,379	-
Net Movement in Funds		13,084,693	436,332	13,521,025	683,637
Reconciliation of funds:					
Total Funds Brought Forward		16,288,142	3,422,681	19,710,823	19,027,186
Total Funds as at 31 March 2017		29,372,835	3,859,013	33,231,848	19,710,823

All the activities of the company are from continuing operations.

The notes on pages 21 to 29 form part of these financial statements.

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	£	Total 2017 £	£	Total 2016 £
Fixed Assets:					
Freehold Land and Buildings	14		12,899,215		8,932,379
Leasehold Land and Buildings	14		10,456,034		7,814,978
Investment Properties	14		14,335,003		8,139,899
Fixture, Fittings and Equipment	14		390,900		367,308
Investment in Subsidiary	14a		100		-
			<u>38,081,252</u>		<u>25,254,564</u>
Current Assets:					
Stock		4,176		6,707	
Debtors & Prepayments	15	663,829		602,006	
Investment Properties	16	1,452,300		1,502,271	
Cash at bank & in hand		<u>1,058,911</u>		<u>1,095,470</u>	
		3,179,216		3,206,454	
Current Liabilities:					
Amount falling due within one year	17	<u>1,671,344</u>		<u>1,606,805</u>	
Net Current Assets / (Liabilities)			<u>1,507,872</u>		<u>1,599,649</u>
Total Assets less Current Liabilities			39,589,124		26,854,213
Creditors:					
Amount falling due after one year	18		6,357,276		7,143,390
Total Net Assets			<u><u>33,231,848</u></u>		<u><u>19,710,823</u></u>
Funds of the Charity					
Restricted Funds	24		3,859,013		3,422,681
Unrestricted Funds	25				
General Fund		1,714,286		1,489,525	
Designated Fund		<u>27,658,549</u>	29,372,835	<u>14,798,617</u>	16,288,142
Total Funds as at 31 March 2017			<u><u>33,231,848</u></u>		<u><u>19,710,823</u></u>

The financial statements were approved and authorised for issue by the Board on 23 September 2017.

Signed on behalf of the board of trustees



Mr Muhammad Habibur Rahman
Trustee & Chairman



Mr Mohammed Abdul Malik
Trustee & Treasurer

The notes on pages 21 to 29 form part of these financial statements.

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	£	2017 £	£	2016 £
Cash Outflow from Operating Activities					
Operating Profit		860,646		680,788	
Depreciation		69,120		69,692	
Investment Income		(858)		(14,278)	
Finance Costs		71,648		77,786	
Profit on fixed asset disposal		(33)		(2,791)	
Operating Profit Before Working Capital Charges		<u>1,000,523</u>		<u>811,197</u>	
(Increase)/Decrease in Debtors		(61,823)		36,841	
(Increase)/Decrease in Stock		2,531		1,573	
Increase/(Decrease) in Creditors		<u>64,539</u>		<u>63,586</u>	
Cash from Operations		<u>1,005,770</u>		<u>913,197</u>	
Finance Cost Paid		<u>(71,648)</u>		<u>(77,786)</u>	
Net Cash Generated from Operations			934,122		835,411
Cash Outflow from Investment Activities					
Purchase of Tangible Fixed Assets		(185,553)		(2,405,192)	
Investment in Subsidiary		(100)		-	
Fixed assets disposal		228		19,000	
Interest / Profit on investment		<u>858</u>		<u>14,278</u>	
Net Cash inflow/outflow from investment Activities			(184,567)		(2,371,914)
Cash Outflow from Financing Activities					
Increase/(Decrease) of Long Term Loan		(116,136)		(110,165)	
Increase/(Decrease) of Qard Hasanah (Private Loan)		<u>(669,978)</u>	(786,114)	<u>965,484</u>	855,319
Net Increase/(decrease) in Cash and Cash Equivalent			<u>(36,559)</u>		<u>(681,184)</u>
Opening Cash and Cash Equivalent			1,095,470		1,776,654
Closing Cash and Cash Equivalent			<u>1,058,911</u>		<u>1,095,470</u>
Reconciliation:					
Cash at bank and in hand			1,058,911		1,095,470
			<u>1,058,911</u>		<u>1,095,470</u>

EAST LONDON MOSQUE TRUST
Notes to the Financial Statements
for the Year Ended 31 March 2017

1 Accounting Policies

1.1 Basis of preparation of accounts:

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

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

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

1.2 Funds:

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

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

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

1.3 Income recognition:

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

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

1.4 Expenditure and irrecoverable VAT:

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

1.5 Allocation of costs:

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

1.6 Support costs:

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

EAST LONDON MOSQUE TRUST
Notes to the Financial Statements
for the Year Ended 31 March 2017

1.7 Tangible fixed assets and depreciation:

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

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

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

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

1.8 Investment properties:

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

1.9 Investments :

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

1.10 Stock:

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

1.11 Debtors and prepayments:

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

1.12 Creditors and accruals:

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

1.13 Loans and borrowings:

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

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

1.14 Provisions:

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

1.15 Pensions:

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

1.16 Taxation:

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

1.17 Going concern:

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

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

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

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

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2017

2. Legal status of the charity

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

Incoming Resources

3	Voluntary Income	Note	Unrestricted £	Restricted £	2017 £	2016 £
	General Donations		1,039,159	333,836	1,372,995	1,597,031
	Baraka Khan Visitor Centre			128,476	128,476	-
	Archiving Project			11,620	11,620	-
	Gift Aid		29,337		29,337	39,679
	Legacy				-	5,000
	Grants			5,000	5,000	5,250
			1,068,496	478,932	1,547,428	1,646,960
4	Activities for Generating Funds		Unrestricted £	Restricted £	2017 £	2016 £
	Hall and Room Hire		162,895		162,895	172,315
	Fundraising Activities		50,148		50,148	31,058
	DPI Income				-	28,994
	Bookstall and similar sales		46,592		46,592	47,695
	Advertising and Sponsorship		29,980		29,980	36,095
			289,615	-	289,615	316,157
5	Investment Income		Unrestricted £	Restricted £	2017 £	2016 £
	Rent and Services Charges		886,901		886,901	683,334
	Profit on listed investments				-	10,735
	Profit on Bank Deposits		858		858	3,543
			887,759	-	887,759	697,612
6	Income from Charitable Activities		Unrestricted £	Restricted £	2017 £	2016 £
	<u>a) General Projects</u>					
	ISAP			-	-	26,611
	Community Cohesion			-	-	1,495
			-	-	-	28,106
	<u>b) Educational Projects</u>					
	Al Mizan School			219,276	219,276	263,525
	London East Academy			523,173	523,173	482,222
	ELM Evening Madrasah			72,385	72,385	64,700
			-	814,834	814,834	810,447
	<u>c) Welfare Funds</u>					
	Fitr Fund			51,027	51,027	47,258
	Zakat Fund			12,713	12,713	13,402
	Sundry			20,551	20,551	19,963
			-	899,125	899,125	919,176
7	Other Incoming Resources		Unrestricted £	Restricted £	2017 £	2016 £
	User Groups' Contributions		13,271		13,271	10,291
	Wedding and Attestations		15,912		15,912	14,300
	Sundry		45,238		45,238	37,266
			74,421	-	74,421	61,857
	Total Income		2,320,291	1,378,057	3,698,348	3,641,762

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2017

Expenses Summary

8	Voluntary Cost	Note	Unrestricted £	Restricted £	2017 £	2016 £
	Printing and Publicity		24,679		24,679	13,886
	Volunteer Expenses		3,547		3,547	4,668
	Insurance	13	17,353		17,353	19,336
	Subscriptions		7,667		7,667	6,544
			<u>53,246</u>	<u>-</u>	<u>53,246</u>	<u>44,434</u>
9	Fundraising Cost		Unrestricted £	Restricted £	2017 £	2016 £
	Salaries and Employer's NIC		44,712		44,712	63,840
	Fundraising Campaign and Advertising		9,022		9,022	5,619
	Fundraising Events		36,024		36,024	26,066
	Bookstall and Similar Supplies		31,521		31,521	28,932
	DPI Expenses		2,205		2,205	61,309
			<u>123,484</u>	<u>-</u>	<u>123,484</u>	<u>185,766</u>
10	Investment Management Costs		Unrestricted £	Restricted £	2017 £	2016 £
	Salaries and Employer's NIC	13	146,108		146,108	117,381
	Premises Expenses	13	69,226		69,226	71,093
	Insurance	13	293		293	-
	Management Fees				-	42,513
	Finance Charges		71,648		71,648	77,786
			<u>287,275</u>	<u>-</u>	<u>287,275</u>	<u>308,773</u>
11	Charitable Activities		Unrestricted £	Restricted £	2017 £	2016 £
	<u>General projects</u>					
	ISAP			11,119	11,119	54,585
	Faith in Health				-	34,371
			<u>-</u>	<u>11,119</u>	<u>11,119</u>	<u>88,956</u>
	<u>Educational Projects</u>					
	Al Mizan School			269,211	269,211	300,631
	London East Academy			616,988	616,988	660,101
	Elm Evening Madrasah			69,975	69,975	75,899
			<u>-</u>	<u>956,174</u>	<u>956,174</u>	<u>1,036,631</u>
	Welfare Fund Distribution			7,912	7,912	6,500
	Fitr Fund Distribution			54,998	54,998	45,230
	Zakat Fund Distribution			9,295	9,295	16,504
			<u>-</u>	<u>64,293</u>	<u>64,293</u>	<u>61,734</u>
	Salaries and Employer's NIC	13	190,176		190,176	101,765
	Premises Expenses	13	552,671		552,671	629,123
	Archiving Expenses			671	671	365
	Baraka Khan Visitor Centre			1,054	1,054	-
	Bad and Doubtful debts		4,278		4,278	3,786
	Ifar and Itikaf Expenses		14,819		14,819	14,079
	Telephone, Fax and Internet	13	3,346		3,346	6,088
	Computers and IT Expenses	13	3,148		3,148	1,538
	Postage and Stationery	13	1,652		1,652	2,302
	Contributions from projects		(61,480)		(61,480)	(91,304)
			<u>708,610</u>	<u>1,725</u>	<u>710,335</u>	<u>667,742</u>
			<u>708,610</u>	<u>1,041,223</u>	<u>1,749,833</u>	<u>1,861,563</u>

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2017

Cont....

12	Support and Governance Costs:	Note	Unrestricted £	Restricted £	2017 £	2016 £
	a) Support Costs					
	Salaries and Employer's NIC	13	409,101		409,101	328,666
	Insurance	13	17,353		17,353	19,337
	Telephone, Fax and Internet	13	3,346		3,346	6,087
	Computers and IT Expenses	13	3,148		3,148	1,539
	Postage and Stationery	13	1,652		1,652	2,302
	Legal and Professional Fees		33,968	660	34,628	26,672
	Training and Courses		2,690		2,690	5,327
	Payroll Services		3,505		3,505	3,000
	Book-Keeping and Accountancy		11,926		11,926	15,701
	Bank and Credit Card Charges		17,521		17,521	34,945
	Sundry		12,703		12,703	14,100
	Depreciation on FF and Equipment		60,134		60,134	55,606
	Profit from DPI's assets sales				-	(2,741)
			<u>577,047</u>	<u>660</u>	<u>577,707</u>	<u>510,541</u>
	b) Governance Costs					
	Salaries and Employer's NIC	13	29,221		29,221	23,476
	Audit remuneration		7,701		7,701	7,701
	Meeting and Training		2,635		2,635	4,021
	Legal and Professional Fees		6,600		6,600	11,850
			<u>46,157</u>	<u>-</u>	<u>46,157</u>	<u>47,048</u>
			<u>623,204</u>	<u>660</u>	<u>623,864</u>	<u>557,589</u>
	Total Expenses		<u><u>1,795,819</u></u>	<u><u>1,041,883</u></u>	<u><u>2,837,702</u></u>	<u><u>2,958,125</u></u>

13	Allocation of Costs:	Basis of allocations	Total	Support Costs	Governance Costs	Voluntary Cost	Investment Management Costs	Charitable Activities
	a) Charitable Activities:							
	Cleaning and Support Services	1: 9	252,449				25,245	227,204
	Service Charges	1: 1	4,754				2,377	2,377
	General Rates and Water	1: 9	28,381				2,700	25,681
	Lighting and Heating	1: 9	154,469				20,720	133,749
	Repairs and Maintenance	1: 9	181,844				18,184	163,660
			<u>621,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,226</u>	<u>552,671</u>
	b) Support Costs:							
	Computer and IT Expenses	1: 1	6,296	3,148				3,148
	Postage and Stationery	1: 1	3,304	1,652				1,652
	Insurance	1: 1	34,999	17,353		17,353	293	-
	Salaries and Employer's NIC	53:4:19:24	774,606	409,101	29,221		146,108	190,176
	Telephone, Fax and Internet	1: 1	6,692	3,346				3,346
			<u>825,897</u>	<u>434,600</u>	<u>29,221</u>	<u>17,353</u>	<u>146,401</u>	<u>198,322</u>

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14 Tangible Fixed Assets:

	Freehold Land & Buildings	Leasehold Land & Buildings	Investment Properties	Fixtures, Fittings & Equipment	Total
Cost	£	£	£	£	£
At 1 April 2016	8,932,379	7,814,978	8,139,899	1,105,240	25,992,496
Addition			67,647	92,906	160,553
Gains / (losses) on revaluation of Fixed assets	4,374,777	3,653,277	4,254,367		12,282,421
Disposal				(228)	(228)
Properties transferred (to)/from CA Investment			452,928		452,928
Land & Buildings transferred to FA Investment	(407,941)	(1,012,221)	1,420,162		-
	<u>12,899,215</u>	<u>10,456,034</u>	<u>14,335,003</u>	<u>1,197,918</u>	<u>38,888,170</u>
Depreciation:					
At 1 April 2016				737,932	737,932
Charge for the year				69,120	69,120
Eliminated by Disposal	-	-	-	(34)	(34)
				<u>807,018</u>	<u>807,018</u>
Net Book Value					
As at 31 March 2017	<u>12,899,215</u>	<u>10,456,034</u>	<u>14,335,003</u>	<u>390,900</u>	<u>38,081,152</u>
As at 31 March 2016	<u>8,932,379</u>	<u>7,814,978</u>	<u>8,139,899</u>	<u>367,308</u>	<u>25,254,564</u>

The net book value of tangible fixed assets investment comprised:

	2017 £	2016 £
<u>Investment properties:</u>		
Freehold Land and buildings	6,600,237	3,884,630
Long leasehold Land and buildings	7,734,766	4,255,269
Total Investment Property	<u>14,335,003</u>	<u>8,139,899</u>
	2017	2016
<u>Fair Value reconciliation</u>	<u>£</u>	<u>£</u>
Cost of investment Properties	10,080,636	8,139,899
Gains / (losses) on revaluation of Fixed assets	4,254,367	-
	<u>14,335,003</u>	<u>8,139,899</u>

Land and buildings were subject to independent, professional valuation at August 2016. The valuation was undertaken by Colliers International Valuation UK LLP, Royal Institution of Chartered Surveyors' registered valuer on the of Rental value and tenant demand.

The subject property is a mixed use property arranged in four interlinked building and the market value are as follows:

Property	Cost £	Valuation £	Gain / (Loss) £
East London Mosque	2,719,604	5,200,000	2,480,396
London Muslim Centre Including Business Centre	10,307,207	15,825,000	5,517,793
Maryam Centre	9,558,114	12,650,000	3,091,886
	<u>22,584,925</u>	<u>33,675,000</u>	<u>11,090,075</u>

All other Properties value are estimated by the Directors/Trustees on the basis of market growth, valuation obtained from Rightmove / Zoopla website and from local estate agents as follows:

	Cost £	Valuation £	Gain / (Loss) £
Total Number of property : 6	<u>2,822,906</u>	<u>4,015,252</u>	<u>1,192,346</u>

14a) Subsidiary Investment: ELMT Waqf limited is 100% subsidiary of East London Mosque Trust. During the year the company was

15 Debtors & Prepayments:

	2017 £	2016 £
Prepayments	67,612	66,959
Rent and Others	390,792	248,292
Student Fees	205,425	286,755
	<u>663,829</u>	<u>602,006</u>

EAST LONDON MOSQUE TRUST
Notes to the Financial Statements
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16 Current Asset Investments

	Freehold Properties £	Total £
Cost or valuation		
At 01 April 2016	1,502,271	1,502,271
Additions	25,000	25,000
Gains / (losses) on revaluation of Fixed assets	377,957	377,957
Properties Transferred to FA Investment	(452,928)	(452,928)
At 31 March 2017	<u>1,452,300</u>	<u>1,452,300</u>
Carrying amount		
At 31 March 2017	<u>1,452,300</u>	<u>1,452,300</u>
At 31 March 2016	<u>1,502,271</u>	<u>1,502,271</u>
Investments at historical cost comprise of:	2017	2016
	£	£
Land and Building As cost	1,074,343	1,502,271
Gains / (losses) on revaluation of Fixed assets	377,957	-
	<u>1,452,300</u>	<u>1,502,271</u>

All Current investment Property's value are estimated by the Directors/Trustees on the basis of market growth, valuation obtained from Rightmove / Zoopla website and from local estate agents.

17 Creditors: Falling due within one year

	2017	2016
	£	£
Other Taxes and Social Security Costs	41,043	39,543
Trade Creditors	128,483	51,183
Rent and Hall Hire Deposits	107,439	96,939
Advance Tuition Fees	339,067	351,937
Accruals and Deferred Income	387,937	330,883
Al Rayan (IBB) Bank Loan	110,730	105,322
Qard Hasanah - Private Loan	554,912	629,354
Pension Contributions	1,733	1,644
	<u>1,671,344</u>	<u>1,606,805</u>

18 Creditors: Falling due after more than one year

	2017	2016
	£	£
Qard Hasanah - Private Loan	4,994,211	5,664,189
Bank Loans	1,363,065	1,479,201
	<u>6,357,276</u>	<u>7,143,390</u>

18a) Private Loans: "Qard Hasanah" are loans from the charity's beneficiaries, which only have a moral obligation to repay on demand, if possible. There is no interest due or security given for these loans.

18b) FRS 102 Private (beneficial loan) disclosure: Under FRS102 it is required to state private loan (QA) amount at its present value, which will show loan payable in the account much lower than the actual amount to be paid. This may confuse the charity's stakeholder and therefore, trustees considered not to follow FRS102 treatment.

19 Analysis of Staff Costs:

	2017	2016
	£	£
Total Salaries	1,645,854	1,661,978
Employer's NIC	110,547	113,033
Pension Contributions	11,017	10,763
Total Employment cost	<u>1,767,418</u>	<u>1,785,774</u>
Average number of employees: Support	22	19
Average number of employees: Direct charitable	119	116
	<u>141</u>	<u>135</u>
Employees paid in excess of £60,000 during the current year and previous year	<u>None</u>	<u>None</u>

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20 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2016: £Nil)

Key management personnel (neither Company Director nor trustee) received remuneration of £83,531 during the year (2016: £82,831) including pension costs.

The trustees did not have any expenses reimbursed during the year (2016 - £nil).

21 Pension:

The charity's pension scheme is operated by Carey Group where employee and Employer contributed (1%) of pensionable pay. The employer's contributions made to the scheme was £11,017 during the year (2016: £10,763), recognised as an expense under staff

22 Deferred income:	< 1 Year	> 1 Year	2017	2016
	£	£	£	£
At start 01.04.2016	521,717	102,489	624,206	693,381
Additions during the year	517,523	102,500	620,023	476,607
Amounts released to income	(474,637)	(83,750)	(558,387)	(545,782)
At end 31.03.2017	564,603	121,239	685,842	624,206

Income has been deferred for

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

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

Advert: Invoices raised in relation to web advert on ELM website for 2017/18.

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

Charity Package: Invoices raised in relation to Charity Appeal through on ELM website, premises and news letter for 2017/18.

23 Restricted Fund Movements

	Opening Balance 01.04.2016	Incoming Resources	Resources Expended	Adjustment	Closing Balance 31.03.2017
	£	£	£	£	£
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
	2,418,750	-	-	-	2,418,750
41 Field gate Street	488,068	333,836			821,904
Maryam Academy	159,131				159,131
Educational Projects					
London East Academy	43,592	523,173	616,988	50,223	-
Al Mizan		219,276	269,211	49,935	-
Evening Madrasah	28,613	72,385	69,975		31,023
	72,205	814,834	956,174	100,158	31,023
General Projects	176,872		11,119		165,753
Zakat Fitr Fund	5,212	63,740	64,293		4,659
Welfare Fund	98,558	20,551	7,912		111,197
Archiving Project		11,620	1,331		10,289
Baraka Khan Visitor Centre		128,476	1,054		127,422
Sundry Income	3,885	5,000			8,885
	3,422,681	1,378,057	1,041,883	100,158	3,859,013

EAST LONDON MOSQUE TRUST
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24 Movement in Funds	Unrestricted Fund £	Designated Fund £	Unrestricted Total £	Restricted Fund £	Total Fund £
As at 1 April 2016	1,489,525	14,798,617	16,288,142	3,422,681	19,710,823
Current year surplus	524,472		524,472	336,174	860,646
Gains / (losses) on revaluation of Fixed assets		12,660,379	12,660,379		12,660,379
Current year transfer	(299,711)	199,553	(100,158)	100,158	-
As at 31 March 2017	<u>1,714,286</u>	<u>27,658,549</u>	<u>29,372,835</u>	<u>3,859,013</u>	<u>33,231,848</u>

Total funds include £596,217 (2016: £535,047) debtors receivable. Approximately £27.66m (2016: £14.80m) of designated funds are tied up with Buildings construction and fixed assets additions. Free reserves available is £1.05m (2016: £0.75m) as explained in reserves policy. Total current assets investment cost is £1.45m (2016: was £1.50m).

25 Taxation

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

26 Post Balance Sheet Events

There were no other significant balance sheet events to report.

27 Auditors' Remuneration

	2017 £	2016 £
Auditor's Remuneration for the audit of the charity's annual accounts	<u>9,501</u>	<u>9,501</u>
Fees Payable to the charity's auditor for non-audit services	<u>9,021</u>	<u>9,021</u>

28 Contingent Liabilities

The Charity had no contingent liabilities as at 31 March 2017 nor at 31 March 2016.

29 Related Party Transactions

There were no related party transactions during the year.

30 Gifts in Kind and Volunteers

During the year the charity benefited from unpaid work performed by volunteers, this is stated in the Trustees' Report. In the month of Ramadan, the charity also received free bottled water from another charity and food donation from general public and businessman for breaking of the fast.

31 Financial Commitments

The Charity had no financial or other contractual commitments as at 31.03.2017.