

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 2019

ABACUS PARTNERS (LDN) LLP

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

CONTENTS

Corporate Details	3
Trustees' Annual Report	4
Objects and Public Benefit	4
Activities	4
Strategic Report	5
Achievements and Performance	5
Plans for the future	10
Financial Review	10
Structure, Governance and Management	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report to the members of the East London Mosque Trust	14
Statement of Financial Activity	16
Statement of Financial Position	17
Statement of Cash Flows	18
Notes to the Financial Statement	19–27

CORPORATE DETAILS

Registered Name	East London Mosque Trust	
Working Names	East London Mosque London Muslim Centre	
Company Number	0468317	
Charity Number	1122613	
Trustees (Directors)	Muhammad Habibur Rahman 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)	(Chairman) (Vice Chairman) (Honorary Secretary) (Treasurer)
Company Secretary	Ayub Khan	
Chief Executive Officer	Nozmul Hussain (until 31 Oct 2018)	
Registered Office	82-92 Whitechapel Road, London, E1 1JQ	
Statutory Auditors	Abacus Partners (Ldn) LLP, Unit A, Abbotts 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

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

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

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

ACTIVITIES

The Trust's prayer facilities are open to the public every day of the year for all the daily prayers, hosting congregations of up to 7000 people in the well-maintained spaces of the East London Mosque and adjoining London Muslim Centre and Maryam Centre. It is accessible to men, women and children, and the disabled.

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

A wide range of services is offered for both Muslims and non-Muslims, often in partnership with others. The Trust places strong emphasis on building relationships with others so we can work together for the common good; this extends beyond the local community, such as in our response to the attacks in New Zealand.

To support our wider engagement, we have a Visitor Centre overlooking the main prayer hall, where people can find out more about Islam and Muslims; for this, we offer occasional accredited short courses, and host numerous organised visits, especially for schools. The Trust helps 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 does not harm our reputation.

Prophet Muhammad ﷺ said: "Allah said, 'Spend, O son of Adam, and I shall spend on you.'" Yet again, our extraordinarily generous congregation and community surpassed themselves in charitable giving. In this financial year, their support for the Trust was over £1.63 million in donations and other fundraising. They again broke our previous records, raising over £382,000 for dozens of other UK registered charities who we allow to hold collections in the mosque for their good causes.

Volunteering

The Trust continues to benefit from the dedication and commitment of volunteers, from those helping with collections, to members and trustees helping to drive the organisation forward. Volunteering in the Maryam Centre is coordinated by Maryam Women's Services, and in ELM by our volunteer group, Jamiat-ul-Muslimin. They provide stewarding for Friday prayers, Ramadan, Eid and other special occasions, and provide support for charity collections. It is estimated their contribution of time is worth around £110,000 per year. Their contribution is greatly appreciated by all users of the Mosque.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

Religious Projects and Services

Prayer Facilities

The mosque is open to the public every day from 10am, up to 9pm in the winter months, and later in the summer months. The annual footfall for prayers is about 1.7 million. The average weekly footfall for prayers is over 32,000 people, almost doubling in Ramadan. The congregation for the Friday 'Jumua' prayer averages at well over 5,000, peaking at about 7,000 on the very busiest Fridays. 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 and YouTube for download. People can listen to prayers and lectures given in the main prayer hall from home through dedicated digital radios, over the internet, and using smartphones.

Religious Teaching

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

Ramadan & Eid

Ramadan is always the busiest time of the year, with a footfall of over a quarter of a million for congregational prayers. It is a challenging time for staff and volunteers, who work long into the night for the special prayers attended each night by thousands of people. Every evening the Mosque provided free meals for the breaking of the fast for over 500 men and women.

The Mosque held five congregational prayers on each of the two Eid mornings, Eid al-Fitr and Eid al-Adha, catering for many thousands of worshippers.

Funerals

The Mosque facilitates funeral prayers almost on a daily basis, often several at a time – 619 in this reporting period. Coffins are brought from the basement mortuary facilities directly to the holding area in front of the mihrab, ready for the funeral prayer, which is usually held straight after the midday prayer. The Mosque's Visitor centre accommodates non-Muslim guests who come to pay their respects.

Education

Al Mizan School & London East Academy

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

In 2019, 85% of GCSE students achieved grades 5–9 including English and Maths, with 30% of students attaining grades 8–9 including English and Maths, 85% of students reaching A/A* in Islamiyat, and 100% of students in Physics, Biology and Chemistry achieving grades 5–9.

In a further improvement on last year, 85% of students achieved 5–9 EBacc (English Baccalaureate, all the academic subjects, i.e. Maths, English, History, Science double and triple, Arabic and Computer science).

Supplementary education

The Trust's part-time evening school, the ELM Evening Madrasah, operates weekdays 5–7pm, with a curriculum giving essential Islamic knowledge. It has nine classes with over 150 students, aged 7 to 14, and 11 members of staff. The Madrasah has relevant child protection training, DBS checks, and staff workshops to maintain and improve teaching standards. The Madrasah is overseen by a committee of the Trust.

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

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

A proposal has been formulated for reviewing supplementary education, which is now part of the strategic plan.

Social Welfare

The Trust provides a range of welfare services directly and through supported projects. A review of all projects and services has been included in the strategic plan.

Religious Advice and Support

The Mosque's Imams gives advice and guidance on religious matters, on issues such as marriage, inheritance, family and business matters. There was an average of 183 contacts per day), split evenly between enquiries in person at the ELM reception and by telephone.

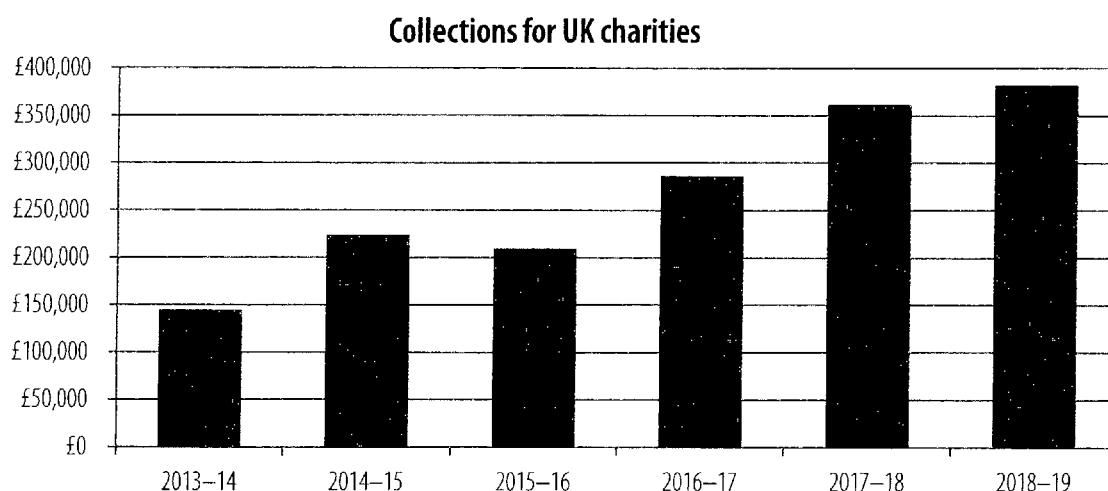
The Trust provides subsidised office space to Al Ihsan Marriage & Family Advice Service, which provides a marriage introduction and advice service, and organises public lectures on marriage in the Muslim community.

Legal advice

Pro Bono in the LMC (PBLMC) is a free legal advice service, run by volunteer practising barristers, solicitors and CILEx (Chartered Institute of Legal Executives) 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 150 cases. Whilst many of PBLMC's clientele are Muslims, non-Muslims also come to PBLMC for legal help.

Supporting charitable causes

Once again, this was a record year collecting for external charities, with a total of £382,529 raised. A large proportion, as always, was collected in Ramadan. The collections are by UK registered charities for charitable causes both in the UK and overseas – this year there were 95.



Services for women

More than 25 female user groups covering all ages and from different communities use the Trust facilities on a weekly basis, such as the London Saturday Circle, the Tafseer Class, the Friday Youth Circle, and the New Muslims Circle. Most are based in the Maryam Centre, a leading Islamic facility for women both locally and beyond. The Maryam Centre has excellent female prayer facilities, classes and seminars for women, and a women-only gym based on the 6th floor to complement the men-only gym in the LMC basement.

Community Cohesion

The Trust has continued to develop relationships in wider society and with statutory bodies, and to promote the good work it does.

Open Days, Tours and Visits

In this reporting period, the Mosque hosted three open days, as well as the monthly Tea & Tour for local people and passers-by. The open days allow 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; this helps to remove any misunderstanding about Islam and Muslims.

The East London Mosque once again welcomed hundreds of visitors as part of the annual Visit My Mosque day, organised nationally by the Muslim Council of Britain. It was a wonderful opportunity for people to meet Muslims in their community, find out what it is really like in a Mosque, and dispel myths perpetuated by the far right and some sections of the media.

Amongst those present for Visit My Mosque were: Mayor of Tower Hamlets, John Biggs; local MP, Rushanara Ali; London Mayoral Candidate for the Lib Dems, Siobhan Benita; and Founder Executive Director of Citizens UK, Neil Jameson. Visitors were offered a tour of the Mosque and observed the live prayers at midday. In addition to the usual exhibition about Islam, this year's theme was the environment; the unusually mild weather meant the Mosque's honeybees were active, as visitors watched from our observation area.

This has been another successful year for tours and visits, with the number of tours hosted increasing to 205. More than 5,000 visitors were welcomed and introduced to the work of the Trust, and provided with an insight into Islam and Muslims.

Islam Awareness Courses (CPD Accredited)

The Trust delivered three courses to professionals wishing to add value to their working roles. Better knowledge about Islam and Muslims helps build a unique relationship of understanding and cooperation. The courses have become a popular feature for policy makers, local and national government sector directors and officers, and social workers. There are plans to deliver new professional leadership courses next year.

Working with other organisations for a better society for all

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

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

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

Tackling Racism, Islamophobia and Anti-Semitism

ELM has been working with various anti-racist organisations to challenge racism, Islamophobia and anti-Semitism. In this reporting period, we hosted a meeting of Muslim leaders with leaders of Stand Up To Racism to promote the National Demo against Racism on 17th November 2018. We participated and spoke at the national demonstration to observe the UN Anti-Racism Day on 16th March 2019. In addition, we hosted a Tower Hamlets Stand Up To Racism meeting to remember Blair Peach, who was a teacher at Phoenix school. He was murdered on April 23rd 1979 by a member of the Special Patrol Group. We also participated in several local protests against Islamophobic and anti-Semitic incidents.

Response to New Zealand Terror Attacks

As the whole world reacted with shock and horror to the terrorist shootings in two mosques in Christchurch, New Zealand on Friday 15 March 2019, people came together at the East London Mosque & London Muslim Centre in a show of solidarity and defiance against far-right extremism.

Our congregation for the Friday prayers was joined by faith and political leaders determined to stand together in unity:

- Sadiq Khan, Mayor of London
- Rt Revd and Rt Hon Dame Sarah Mullally DBE, Bishop of London
- Rushanara Ali MP
- John Biggs, Mayor of Tower Hamlets
- Chief Superintendent Sue Williams, Borough Commander
- Rev Alan Green, Chair of Tower Hamlets Interfaith Forum
- Harun Rashid Khan, Secretary General of the Muslim Council of Britain

In the Friday sermon, our Senior Imam, Shaykh Mohammed Mahmoud, expressed our revulsion at the evil, callous murders.

The Trust sent Shaykh Mohammed Mahmoud to New Zealand to offer our condolences and express solidarity with the families of the victims of the terrorist attack.

The Trust organised a joint event in parliament with Muslim Aid honouring the Christchurch victims and calling for action on Islamophobia. We also organised three training sessions with the police on how we could improve the security of our Mosques and religious centres.

Premises

Security

The Trust is constantly at potential risk from criminal damage, burglary, theft, arson, and hate crimes. In some circumstances, the lives and safety of staff, volunteers, users and visitors could be in jeopardy. Any breach of security may have an impact on the running of the Trust. It follows that all reasonable measures should be taken to enhance security. To this end, risk assessments are conducted whenever necessary, and at least annually. Where appropriate, expert advice has been sought to determine security risks and precautions required to deal with these potential threats. The Trust is in regular contact with the police, in particular the counter-terrorism branch, to address threats posed by far-right extremists. Security provision is kept under regular review.

Staff and volunteers are provided with sufficient resources, information and training to implement the security procedures, which are reviewed regularly. The Security Team provides 24/7 security cover for our buildings, which acts as a deterrent, and is reassuring for staff, volunteers and users. Members of the Security Team are SIA qualified; the use of the Security Team has been seen as a positive step and has greatly enhanced security.

Centralised reception

Further consultation were carried out on the final layout of the centralised reception. The work on refurbishing first floor areas to improve staff facilities is 90% complete.

Repairs and maintenance

As a very busy institution with a diverse range of users, it is challenging to maintain the premises to a high standard. The Maintenance Team carried 719 repairs in the period April 2018 to March 2019; 754 repairs were reported in the same period.

Governance and Administration

The Chief Executive Officer left at the end of October 2018; the Director of Finance & Engagement became the lead member of staff, whilst the Board of Trustees continues to try to recruit a CEO.

The SMT revised the approach for creating a five-year strategic plan, and consulted with stakeholders. The plan is due to be launched at the AGM in September 2019.

A new performance management framework of supervisions, work-plans and appraisals was developed to create an improved, standardised approach for all staff.

This was the first year of full implementation of departmental budgets, which has led to improved budgeting and planning. The SMT is considering further refinements to the department and staffing structure.

The plan to review the Trust's committees was deferred to bring it into the strategic plan, and will be undertaken within the coming year.

Fundraising, Income Generation and Investment Performance

The main sources of income for the Trust are donations from users and well-wishers, especially at Friday prayers and on special occasions such as Ramadan and Eid, as well as income from assets. The Trust continued with the following fundraising campaigns: Friday Giving; standing order campaign; appeal on Muslim TV channels in Ramadan; 27th night of Ramadan appeal; Muslim Charity Run, sponsorships and other fundraising initiatives. The Trust has commissioned a developer to produce a bespoke donation management system, which is ready for implementation.

The Trust's gross income remained very similar to last financial year at £3.69m. However, the expenditure increased by £261k, mainly due to increased salary costs and premises expenses. Hence, the net surplus income dropped to £585k (£786k last year). It is proving to be difficult to sustain the level of donations, as many donors' pledges in recent years for the construction of the Maryam Centre and the Synagogue building have ended. In addition, there are appeals from many other Mosques in Tower Hamlets undertaking major capital rebuilds. However, regular donations, such as for Friday prayers, remain consistently strong. The target of achieving a surplus income of £1m by 2020 is now considered unrealistic; the strategic plan includes the aim to sustain a year-on-year surplus of £0.5m.

In Ramadan 2018, the Trust launched the appeal for the ELM Waqf (Endowment). The objective is to earn more income for the Trust by raising around £3m for the Waqf Fund over the next 5 years, through donations and Qard Hasanah (interest free loans), then to invest in low risk investments. The Trust also launched a campaign for 'legacy giving' to the Trust, and appointed a legal firm to provide a discounted will writing service to our congregation. In addition, the Trust continued to appeal for the shortfall in acquiring the Synagogue building and the construction of the Maryam Centre.

The Trust achieved a 6% rental income on its investment properties. Income from hall hire increased by 5%. The halls and rooms of the London Muslim Centre and Maryam Centre are primarily used by our schools on term-time weekdays, and hired to charities and community groups at a discount to promote educational, social and religious activities. The halls are also hired for Muslim wedding celebrations, but bookings have

reduced as many people want banqueting facilities with greater capacity and parking spaces. However, in order to sustain this level of income the Trust is considering investing further in the facilities and in marketing.

The Trust's full time schools have continued to operate in deficit. In this reporting period, their combined deficit reduced to £13k (£59k last year); this was achieved through an increase in recruitment, and savings through efficiencies. The schools continue to make improvements, regaining the confidence of parents; this should result in stronger recruitment, thus increasing income and reducing their deficit. The plan to review the schools has led to the formation of a detailed remit for such a review; the review is now incorporated in the strategic plan for the year ahead.

PLANS FOR THE FUTURE

Governance and Administration

1. Review Articles, policies and procedures to deliver a stronger governance structure.
2. Establish a robust induction process and create an annual training programme for trustees.
3. Review Trust's committees.
4. Complete review of staffing and departmental structure.
5. Implement new performance management framework for staff.

Fundraising and Income Generation

1. Maintain net income of the Trust at a sustainable £0.5m per annum.
2. Complete development of a new donation management system.
3. Consider establishing a permanent Hajj and Umrah service.

Projects and Services

1. Carry out review of the Trust's full-time education.
2. Carry out review of all supplementary education for children.
3. Establish a youth forum to build relationships between young people and the Mosque.
4. Find ways to offer social and recreational opportunities for young people in an Islamic environment.
5. Enhance support for new Muslims.
6. Develop further support for charitable giving to good causes.
7. Develop services for the elderly.
8. Put measures in place for weekly support sessions for tackling domestic violence.
9. Develop a structured, holistic approach to promoting family values and tackling family break-up.
10. Improve opportunities for researchers by developing the Trust's archive service.

Developing Relationships / Improving Image

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

Assets & Premises

1. Initiate Phase 3 extension.
2. Explore refurbishment of dome and minarets.
3. Continue redevelopment of administrative and reception facilities.

FINANCIAL REVIEW

Principal Funding Sources

The Trust raised £1.18m through voluntary income donations (£1.25m in 2018), of which £45k is restricted for the Waqf Fund and Archives project. The income from investment has increased slightly by 3% to £976k (£946k in year 2018). Income generated from charitable activities increased to £1.01m (£954k in 2018), and income from fundraising activities increased by about 10% to £453k.

Restricted income is either the fees or donations received for individual projects, e.g. the Trust's schools, which is £991k in this financial year.

Staff Remuneration

The Trust has a pay scale for remuneration of staff. An inflationary increase of 2.2% will be implemented from April 2019. A Pay & Benefits Policy is under development.

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% of free reserves of the Trust can be utilised for investment with the proviso that at least two months of operational costs can be liquidated within a three-month period.

The Trust has invested approximately £6.6m in income generating properties within the complex and, more recently, outside of the complex. The LMC Business Wing is a part of its investment strategy, in particular the businesses and charities based there paying rent for the retail units and office spaces they occupy. The annual rental income from all investment properties was £939k this year, yielding a return of 6.0% on the current investment value of £16.07m. There was 100% occupancy in the Business Wing and investment properties.

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

Reserves Policy

The main objective of the reserves policy is to ensure the Trust is able to meet its short-term operational costs in an event where income drops substantially. It is currently operating to service at least two months of liabilities, which is £0.50m. The Board of Trustees considers the reserve policy to be adequate, as the giving tradition is strong in such a faith-based organisation, with regular income received from the investments.

Principal Uncertainties, Risks and Management

The Trust identifies and monitors risks in the areas of compliance, reputation, financial management, governance and operations, and puts in place measures to mitigate these risks, especially those deemed as major. These measures, backed by regular review, ensure strong protection of the charity.

Amongst the key measures the Trust has in place are:

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

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

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

The Trust benefits from interest-free loans from supporters, known as Qard Hasanah. The balance of this loan dropped to £5.19M at the end of this reporting period – reflecting that the amount coming in (£547k) was less than the amount repaid (£809k). These loans have helped the Trust to undertake past capital developments, and to establish investments to help sustain the Trust, known as Waqf. The Trust ensures it keeps sufficient cash flow to repay Qard Hasanah upon request, and can sell its investment properties should the need arise. The Trust is continuing to develop its Waqf base, to create a solid foundation for future income.

Going Concern

Trustees do not consider that the reclassification of some of the private loans (Qard Hasanah) as ‘short-term’ (resulting in a technical current assets deficit of £0.8m) implies an increased risk to operational continuity. In any case, the Trust has an agreement in principle for a loan of £2.5m, which would be more than enough short-term liquidity to cover the entire current asset deficit. The Trust also has 7 investment properties located outside the main own use complex, in highly sought-after areas of London, valued at approximately £4.0m, which could be sold fairly quickly should the need ever be anticipated for additional liquidity. As noted above, the Trust has a strong base of regular donations, especially from collections on Fridays. The community is also very responsive to appeals for Qard Hasanah, should the Trust decide to increase this form of –interest-free borrowing. Trustees therefore consider the Trust as a going concern for its accounts.

Independent Auditor

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

A trustee induction procedure outlines steps for vetting trustees, key documents that are considered essential, and expectations for appropriate training. The Board of Trustees typically meets every six weeks; in this reporting period, they met 8 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, one further trustee and four senior members of staff) to be the key management personnel. The delegation of decisions to committees is outlined in terms of references, and to staff in job descriptions. The Board of Trustees retains ultimate oversight of financial controls, the management of risks, significant developments, and in ensuring the Trust operates in accordance with its Articles of Association, charity law and other legal requirements, and best practice.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

The Trustees' Annual Report and the Strategic Report were approved by the Board of Trustees (in their capacity as company directors) on 2 November 2019 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

Opinion

We have audited the financial statements of East London Mosque Trust for the year ended 31st March 2019, which comprise the statement of financial activities, the Statement of Financial Position, the Cash Flow Statement, and the related Notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (including the Strategic Report) for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the 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 light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Trustees Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out on page **Error! Bookmark not defined.**, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

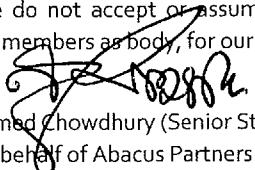
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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


Mr Nur Ahmed Chowdhury (Senior Statutory Auditor)
For and on behalf of Abacus Partners (Ldn) LLP
Statutory Auditor,
Unit A, Abbots Wharf
93 Stainsby Road
London E14 6JL
Date: 6 November 2019

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
<u>Incoming Resources</u>					
Voluntary Income	3	1,134,503	44,947	1,179,450	1,251,188
Activities for Generating Funds	4	453,604	-	453,604	410,621
Investment Income	5	976,196	-	976,196	946,496
Income from Charitable Activities	6	-	1,007,138	1,007,138	954,101
Others Incoming Resources	7	75,705	-	75,705	77,048
Total Incoming Resources		2,640,008	1,052,085	3,692,094	3,639,454
<u>Resources Expended</u>					
Cost of Generating Voluntary Income	8	55,891	-	55,891	57,962
Fundraising Costs	9	120,401	-	120,401	120,289
Investment Management Costs	10	273,674	-	273,674	221,052
Charitable Activities Costs	11	829,546	1,060,375	1,889,920	1,779,429
Support costs	12	684,140	-	684,140	597,509
Governance costs	12	83,016	-	83,016	76,352
Total Resources Expended		2,046,668	1,060,375	3,107,043	2,852,593
Net Income/Deficit Before Fund Movements		593,340	(8,290)	585,050	786,861
Gross Transfer Between Funds	24	(124,155)	124,155	-	-
Net Movement before other recognised gains and losses		469,185	115,865	585,050	786,861
Gains / (losses) on revaluation of Fixed assets	14	235,148	-	235,148	
Net Movement in Funds		704,333	115,865	820,198	786,861
Reconciliation of funds:					
Total Funds Brought Forward		30,137,386	3,881,323	34,018,709	33,231,848
Total Funds as at 31 March 2019		30,841,719	3,997,188	34,838,907	34,018,709

All the activities of the company are from continuing operations.


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

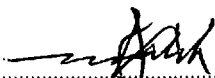
EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	£	Total 2019 £	£	Total 2018 £
Fixed Assets:					
Freehold Land and Buildings	14		12,899,216		12,899,215
Leasehold Land and Buildings	14		10,456,034		10,456,034
Investment Properties	14		16,049,751		14,335,003
Fixture, fittings and equipment	14		382,260		381,436
Investment in Subsidiaries	1.18		101		101
			<u>39,787,362</u>		<u>38,071,789</u>
Current Assets:					
Stock		3,660		3,333	
Debtors & prepayments	15	717,082		756,613	
Investment Properties	16	-		1,452,300	
Cash at bank & in hand		<u>1,736,431</u>		<u>1,597,162</u>	
		2,457,173		3,809,408	
Current Liabilities:					
Amount falling due within one year	17	<u>3,256,286</u>		<u>4,715,161</u>	
Net Current Assets / (Liabilities)			<u>(799,113)</u>		<u>(905,753)</u>
Total Assets less Current Liabilities			38,988,249		37,166,036
Creditors:					
Amount falling due after one year	18		4,149,342		3,147,327
Total Net Assets			<u><u>34,838,907</u></u>		<u><u>34,018,709</u></u>
Funds of the Charity					
Restricted Funds	24		3,997,188		3,881,323
Unrestricted Funds	25				
General Fund		882,883		2,277,359	
Designated Fund		<u>29,958,836</u>	30,841,719	<u>27,860,027</u>	30,137,386
Total Funds as at 31 March 2019			<u><u>34,838,907</u></u>		<u><u>34,018,709</u></u>

The financial statements were approved and authorised for issue by the Board on 2 November 2019.

Signed on behalf of the Board of Trustees


Mr Muhammad Habibur Rahman
Trustee & Chairman


Mr Mohammed Abdul Malik
Trustee & Treasurer

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

EAST LONDON MOSQUE TRUST
(Company Limited by Guarantee)
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	£	2019 £	£	2018 £
Cash Outflow from Operating Activities				
Operating Profit	585,050		786,861	
Depreciation	66,320		67,376	
Investment Income	(2,435)		(2,406)	
Finance Costs	61,456		63,934	
(Gain)/Loss on fixed asset disposal	250		1,084	
Operating Profit Before Working Capital Charges	<u>710,641</u>		<u>916,849</u>	
(Increase)/Decrease in Debtors	39,531		(92,784)	
(Increase)/Decrease in Stock	(327)		843	
Increase/(Decrease) in Creditors	<u>(1,458,876)</u>		<u>(1,550,395)</u>	
Cash from Operations	<u>(709,031)</u>		<u>(725,487)</u>	
Finance Cost Paid	<u>(61,456)</u>		<u>(63,934)</u>	
Net Cash Generated from Operations		(770,487)		(789,421)
Cash Outflow from Investment Activities				
Purchase of Tangible Fixed Assets	(95,091)		(59,952)	
Investment in Subsidiary	-		-	
Fixed assets disposal	397		956	
Interest / Profit on investment	<u>2,435</u>		<u>2,406</u>	
Net Cash inflow/outflow from investment Activities		(92,259)		(56,590)
Cash Outflow from Financing Activities				
Increase/(Decrease) of Long Term Loan	(120,942)		(126,338)	
Increase/(Decrease) of Qard Hasanah (Private Loan)	<u>1,122,957</u>	1,002,015	<u>1,510,600</u>	1,384,262
Net Increase/(decrease) in Cash and Cash Equivalent		<u>139,269</u>		<u>538,251</u>
Opening Cash and Cash Equivalents		1,597,162		1,058,911
Closing Cash and Cash Equivalents		<u><u>1,736,431</u></u>		<u><u>1,597,162</u></u>
Reconciliation:				
Cash at bank and in hand		1,736,431		1,597,162
		<u><u>1,736,431</u></u>		<u><u>1,597,162</u></u>

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

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2019

1 Accounting Policies

1.1 Basis of preparation of accounts:

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

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

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

1.2 Going concern:

The financial statements have been prepared on a going concern basis as the trustees consider no material uncertainties to exist. They 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 alongside the surplus reserves, is sufficient for the charity to be able to continue as a going concern.

1.3 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 current designated fund is tied up with fixed assets (See Note 24).

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The funds are set out in Note 23.

1.4 Income recognition:

All incoming resources are included in the Statement of Financial 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 income will be received.

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

1.5 Expenditure and irrecoverable VAT:

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

1.6 Allocation of costs:

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

1.7 Support costs:

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

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2019

1.8 Tangible fixed assets and depreciation:

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

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

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

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

1.9 Investment properties:

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

1.10 Investments :

Investments are recognised initially at fair value, which is normally stated at cost less provision for permanent diminution in value. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA. Other investments are measured at cost less impairment.

1.11 Stock:

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

1.12 Debtors and prepayments:

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

1.13 Creditors and accruals:

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

1.14 Loans and borrowings:

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

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

1.15 Provisions:

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

1.16 Pensions:

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

1.17 Taxation:

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

1.18 Group accounting

The entity has 100% stake in dormant subsidiaries, LMC Limited and ELMT Waqf Ltd, which are immaterial in combination and have not been consolidated in the accounts.

Notes to the Financial Statements
for the Year Ended 31 March 2019

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

3	Voluntary Income	Note	Unrestricted £	Restricted £	2019 £	2018 £
	General Donations		1,128,709		1,128,709	1,209,062
	Baraka Khan Visitor Centre			-	-	-
	Archiving Project			2,860	2,860	31,660
	Gift Aid		5,794		5,794	10,466
	Waqf Funds			42,087	42,087	-
			<u>1,134,503</u>	<u>44,947</u>	<u>1,179,450</u>	<u>1,251,188</u>
4	Activities for Generating Funds		Unrestricted £	Restricted £	2019 £	2018 £
	Hall and Room Hire		189,155		189,155	179,525
	Fundraising Activities		25,729		25,729	43,645
	Bookstall and similar sales		35,267		35,267	36,974
	Advertising and Sponsorship		203,453		203,453	150,477
			<u>453,604</u>	<u>-</u>	<u>453,604</u>	<u>410,621</u>
5	Investment Income		Unrestricted £	Restricted £	2019 £	2018 £
	Rent and Services Charges		973,761		973,761	944,090
	Profit on Bank Deposits		2,435		2,435	2,406
			<u>976,196</u>	<u>-</u>	<u>976,196</u>	<u>946,496</u>
6	Income from Charitable Activities		Unrestricted £	Restricted £	2019 £	2018 £
	<u>a) Educational Projects</u>					
	Al Mizan School			265,537	265,537	231,270
	London East Academy			585,955	585,955	557,214
	ELM Evening Madrasah			73,387	73,387	78,067
			<u>-</u>	<u>924,879</u>	<u>924,879</u>	<u>866,551</u>
	<u>b) Welfare Funds</u>					
	Fitr Fund			46,246	46,246	46,160
	Zakat Fund			14,874	14,874	18,569
	Sundry welfare			21,139	21,139	22,821
			<u>-</u>	<u>82,259</u>	<u>82,258</u>	<u>87,550</u>
	Total		<u>-</u>	<u>1,007,138</u>	<u>1,007,138</u>	<u>954,101</u>
7	Other Incoming Resources		Unrestricted £	Restricted £	2019 £	2018 £
	User Groups' Contributions		16,445		16,445	16,353
	Wedding and Attestations		15,650		15,650	17,610
	Sundry		43,610	-	43,610	43,085
			<u>75,705</u>	<u>-</u>	<u>75,705</u>	<u>77,048</u>
	Total Income		<u>2,640,008</u>	<u>1,052,085</u>	<u>3,692,094</u>	<u>3,639,454</u>

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2019

Expenses Summary

8	Voluntary Cost	Note	Unrestricted £	Restricted £	2019 £	2018 £
	Printing and Publicity		31,185		31,185	33,627
	Volunteer Expenses		5,583		5,583	3,796
	Insurance	13	8,946		8,946	10,452
	Subscriptions		10,177		10,177	10,087
			<u>55,891</u>	<u>-</u>	<u>55,891</u>	<u>57,962</u>
9	Fundraising Cost		Unrestricted £	Restricted £	2019 £	2018 £
	Salaries and Employer's NIC		46,343		46,343	43,335
	Fundraising Events and Campaigns		51,427		51,427	59,044
	Bookstall and Similar Supplies		22,631		22,631	17,910
			<u>120,401</u>	<u>-</u>	<u>120,401</u>	<u>120,289</u>
10	Investment Management Costs		Unrestricted £	Restricted £	2019 £	2018 £
	Salaries and Employer's NIC	13	97,803		97,803	92,379
	Premises Expenses	13	114,415		114,415	63,274
	Insurance	13	-		-	1,465
	Management Fees		-		-	-
	Finance Charges		61,456		61,456	63,934
			<u>273,674</u>	<u>-</u>	<u>273,674</u>	<u>221,052</u>
11	Charitable Activities		Unrestricted £	Restricted £	2019 £	Restated 2018 £
	<u>General projects</u>					
	ISAP		-	-	-	4,076
			-	-	-	4,076
	<u>Educational Projects</u>					
	Al Mizan School			389,692	389,692	367,104
	London East Academy			493,486	493,486	544,982
	Elm Evening Madrasah			78,101	78,101	76,431
			<u>-</u>	<u>961,279</u>	<u>961,279</u>	<u>988,517</u>
	Welfare Fund Distribution			31,447	31,447	4,526
	Fitr Fund Distribution			46,643	46,643	44,472
	Zakat Fund Distribution			9,180	9,180	9,559
			<u>-</u>	<u>55,823</u>	<u>55,823</u>	<u>54,031</u>
	Salaries and Employer's NIC	13	222,280		222,280	209,607
	Premises Expenses	13	607,941		607,941	545,244
	Archiving Expenses			11,825	11,825	14,421
	Baraka Khan Visitor Centre			-	-	12,018
	Bad and Doubtful debts			-	-	3,229
	Iftar and Itikaf Expenses		5,919		5,919	11,253
	Telephone, Fax and Internet	13	3,665		3,665	3,537
	Computers and IT Expenses	13	8,349		8,349	2,614
	Postage and Stationery	13	-		-	1,059
	Contributions from projects		(18,608)		(18,608)	(74,702)
			<u>829,546</u>	<u>11,825</u>	<u>841,371</u>	<u>728,280</u>
			<u>829,546</u>	<u>1,060,375</u>	<u>1,889,920</u>	<u>1,779,430</u>

The employee cost allocation between the 2 schools, has led to a re-statement to 2018 Educational project expenses. Management has considered the crossover of staff time devoted between LEA and Al-Mizan for this financial year, and applied the same principles to restate 2018. Overall school expenses remain the same for the prior year.

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2019

12	Support and Governance Costs:	Note	Unrestricted £	Restricted £	2019 £	2018 £
	a) Support Costs					
	Salaries and Employer's NIC	13	497,907		497,907	461,897
	Insurance	13	8,946		8,946	10,452
	Telephone, Fax and Internet	13	3,665		3,665	3,538
	Computers and IT Expenses	13	8,349		8,349	2,615
	Postage and Stationery	13	-		-	1,060
	Legal and Professional Fees		42,450	-	42,450	14,039
	Training and Courses		7,899		7,899	1,754
	Payroll Services		4,290		4,290	3,535
	Book-Keeping and Accountancy		11,298		11,298	9,189
	Bank and Credit Card Charges		20,839		20,839	17,244
	Sundry		21,397		21,397	12,950
	Depreciation on FF and Equipment		56,850		56,850	58,152
	Loss on FA disposal		250		250	1,084
			<u>684,140</u>	<u>-</u>	<u>684,140</u>	<u>597,509</u>
	b) Governance Costs					
	Salaries and Employer's NIC	13	71,131		71,131	61,587
	Audit remuneration		8,689		8,689	8,689
	Meeting and Training		3,198		3,198	3,576
	Legal and Professional Fees				-	2,500
			<u>83,016</u>	<u>-</u>	<u>83,016</u>	<u>76,352</u>
			<u>767,156</u>	<u>-</u>	<u>767,156</u>	<u>673,861</u>
	Total Expenses		<u><u>2,046,668</u></u>	<u><u>1,060,375</u></u>	<u><u>3,107,043</u></u>	<u><u>2,852,594</u></u>

13	Allocation of Costs:	Basis of allocation	Total	Support Costs	Governance Costs	Voluntary Costs	Investment Mgt costs	Charitable Activities
	a) Charitable Activities:							
	Cleaning and Support Services	1: 9	280,826				28,083	252,744
	Service Charges	1: 1	6,127				3,064	3,064
	General Rates and Water	1: 9	20,433				3,919	16,514
	Lighting and Heating	1: 9	151,025				15,102	135,922
	Repairs and Maintenance	1: 9	221,886				22,189	199,697
			<u>680,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,357</u>	<u>607,941</u>
	b) Support Costs:							
	Computer and IT Expenses	1: 1	16,699	8,349				8,349
	Postage and Stationery	1: 1	-					-
	Insurance	1: 1	17,892	8,946		8,946		-
	Salaries and Employer's NIC	56:8:11:25	889,119	497,907	71,130		97,803	222,280
	Telephone, Fax and Internet	1: 1	7,331	3,665				3,665
			<u>931,041</u>	<u>518,867</u>	<u>71,130</u>	<u>8,946</u>	<u>97,803</u>	<u>234,294</u>

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements

for the Year Ended 31 March 2019

14 Tangible Fixed Assets:	Freehold Land & Building	Leasehold Land & Building	Investment Properties	Fixtures, Fittings & Equipment	Total
Cost or valuation:	£	£	£	£	£
At 1 April 2018	12,899,216	10,456,034	14,335,003	1,251,278	38,941,532
Addition			27,300	67,791	95,091
Gains / (losses) on fair value of Fixed assets			235,148		235,148
Disposal				(1,810)	(1,810)
Properties Transferred (to) / from CA Investment			1,452,300		1,452,300
Land and Buildings transferred to FA Investment					-
	12,899,216	10,456,034	16,049,751	1,317,260	40,722,261
Depreciation:					
At 1 April 2018				869,843	869,843
Charge for the year				66,320	66,320
Eliminated by Disposal	-	-	-	(1,162)	(1,162)
				935,000	935,001
Net Book Value					
As at 31 March 2019	12,899,216	10,456,034	16,049,751	382,260	39,787,260
As at 31 March 2018	12,899,216	10,456,034	14,335,003	381,435	38,071,688

The net book value of tangible fixed assets investment comprised:

	2019 £	2018 £
<u>Investment properties:</u>		
Freehold Land and buildings	6,600,237	6,600,237
Long leasehold Land and buildings	9,449,514	7,734,766
Total Investment Property	16,049,751	14,335,003

	2019 £	2018 £
<u>Fair Value reconciliation</u>		
Cost of investment Properties	14,335,003	10,080,636
Reclassifications and additions	1,479,600	
Gains / (losses) on revaluation of Fixed assets	235,148	4,254,367
	16,049,751	14,335,003

Mixed use Land and buildings (with investment element), were last subject to a professional valuation during the financial year 2016/17, and the trustees have considered that no fair value adjustments were required during the year (see below).

Professional valuations were made on all non-mixed investment properties during April to July 2019, which the trustees used to ascertain fair valuations, as at 31st March 2019.

Property	Fair Value B/fwd £	Fair Value @ 31.3.19 £	Gain / (Loss) £
East London Mosque	5,200,000	5,200,000	-
London Muslim Centre Including Business Centre	15,825,000	15,825,000	-
Maryam Centre	12,650,000	12,650,000	-
	33,675,000	33,675,000	-

All other residential properties are as follows:

	Fair Value B/fwd £	Fair Value @ 31.03.2019 £	Gain / (Loss) £
Total number of properties : 9	5,494,852	5,730,000	235,148

The Trustees considered the requirements of FRS 102, and engaged a professional valuer, to value all non-mixed use investment properties. There were 2 properties previously held as current assets, which were also re-valued. The brought forward balance has been restated to include these properties.

15 Debtors & Prepayments:	2019 £	2018 £
Prepayments	86,191	60,118
Rent and Others	330,225	399,525
Payroll debtors	328	
Student Fees	300,338	296,970
	717,082	756,613

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2019

16 Current Asset Investments	Freehold Properties	Total
Cost or Fair value	£	£
At 01 April 2018	1,452,300	1,452,300
Additions		-
Gains / (losses) on fair value of Fixed assets		-
Properties Transferred to FA Investment	(1,452,300)	(1,452,300)
At 31 March 2019	-	-
Carrying amount:		
At 31 March 2019	-	-
At 31 March 2018	1,452,300	1,452,300
Investments at historical cost comprise of:	2019	2018
	£	£
Land and Building As cost		1,074,343
Gains / (losses) on revaluation of Fixed assets		377,957
	-	1,452,300

All Current investment Property's were valued on an open market basis as at 31.03.2019 by the trustees.

17 Creditors: Falling due within one year	2019	2018
	£	£
Other Taxes and Social Security Costs	44,484	44,736
Trade Creditors	144,382	124,093
Rent and Hall Hire Deposits	108,043	103,939
Advance Tuition Fees	369,130	401,945
Bad debt provision	16,656	17,815
Accruals and Deferred Income	284,472	356,115
Al Rayan (IBB) Bank Loan	119,175	119,175
Qard Hasanah - Private Loan	2,159,673	3,544,924
Pension Contributions	10,271	2,419
	3,256,286	4,715,161
18 Creditors: Falling due after more than one year	2019	2018
	£	£
Qard Hasanah - Private Loan	3,033,557	1,910,600
Bank Loans	1,115,785	1,236,727
	4,149,342	3,147,327

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

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

19 Analysis of Staff Costs:	2019	2018
	£	£
Total Salaries	1,753,426	1,701,082
Employer's NIC	127,590	120,320
Pension Contributions	33,834	13,659
Total Employment cost	1,914,850	1,835,061
Average number of employees: Support	45	23
Average number of employees: Direct charitable	113	109
	158	132
Employees paid in excess of £60,000	1	1

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2019

20 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2018: £Nil)

Key management personnel (this excludes all Company directors/trustees) received remuneration of £220,286 during the year (2018: £209,845) including pension costs.

The trustees did not have any expenses reimbursed during the year (2018 - £nil).

21 Pension:

The charity's pension scheme was operated by Carey Group up to 31st January 2019, and was subsequently run by Supertrust, in order to incorporate a salary sacrifice scheme. The employer's contributions made to the scheme was £30,584 during the year (2018: £10,763), recognised as an expense under staff emoluments.

22 Deferred income:	2019 £	2018 £
At start 01.04.2018	713,329	685,842
Additions during the year	730,098	713,329
Amounts released to income	(713,329)	(685,842)
At end 31.03.2019	<u>730,098</u>	<u>713,329</u>

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

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

Hall Hire: Bookings made for events occurring in the period after 31st March 2019

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

23 Restricted Fund Movements	Opening Balance 01.04.2018 £	Incoming Resources £	Resources Expended £	Adjustment £	Closing Balance 31.03.2019 £
Capital Grants					
LDA Capital Grant	710,750				710,750
Sure Start Capital Grant	258,000				258,000
NRF Capital Grant	700,000				700,000
ERDF Capital Grant	750,000				750,000
	<u>2,418,750</u>	-	-	-	<u>2,418,750</u>
41 Fieldgate Street	822,454				822,454
Maryam Academy	159,131				159,131
Educational Projects					
London East Academy		585,955	493,486		92,469
Al Mizan		265,537	389,692	124,155	0
Evening Madrasah	32,659	73,387	78,101		27,945
	<u>32,659</u>	<u>924,879</u>	<u>961,279</u>	<u>124,155</u>	<u>120,414</u>
General Projects	161,678		-		161,678
Zakat Fitr Fund	15,357	61,120	55,823		20,654
Welfare Fund	129,492	21,139	31,447		119,184
Archiving Project	26,397	2,860	11,825		17,432
Baraka Khan Visitor Centre	115,405	-	-		115,405
Waqf		42,087			42,087
	<u>3,881,323</u>	<u>1,052,085</u>	<u>1,060,374</u>	<u>124,155</u>	<u>3,997,188</u>

Appendix 22

EAST LONDON MOSQUE TRUST

Notes to the Financial Statements for the Year Ended 31 March 2019

24 Movement in Funds	Unrestricted Fund £	Designated Fund £	Unrestricted Total £	Restricted Fund £	Total Fund £
As at 1 April 2018	2,277,359	27,860,027	30,137,386	3,881,323	34,018,709
Current year surplus	593,340		593,340	(8,291)	585,049
Gains / (losses) on revaluation of Fixed assets		235,148	235,148		235,148
Current year transfer	(1,987,816)	1,863,661	(124,155)	124,155	-
As at 31 March 2019	<u>882,883</u>	<u>29,958,836</u>	<u>30,841,718</u>	<u>3,997,188</u>	<u>34,838,907</u>

Total funds include £630,564 (2018: £596,217) debtors receivable. Approximately £29.98m (2018: £27.66m) of designated funds are tied up in building construction and fixed asset additions. As at the balance sheet date the charitable company has £893k free reserves for its day to day operations.

25 Taxation

The entity is exempt from corporation tax, as it engages in charitable activities. Part of rental income is VATable, and charged at a rate of 20%.

26 Post Balance Sheet Events

There were no significant balance sheet events after the year-end, to report.

27 Auditors' Remuneration

	2019 £	2018 £
Auditor's Remuneration for the audit of the charity's annual accounts	<u>11,250</u>	<u>11,139</u>
Fees Payable to the charity's auditor for non-audit services	<u>10,710</u>	<u>10,599</u>

28 Contingent Liabilities

The entity had no contingent liabilities as at 31 March 2019 nor at 31 March 2018.

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 donations from the general public and businesspersons.

31 Financial Commitments

The Charity had no financial or other contractual commitments as at 31.03.2019.