

**THE ISLAMIC SHARI'A COUNCIL**

**FINANCIAL STATEMENTS**

**31st DECEMBER 2020**

Company Number

Charity Number 1003855

**THE ISLAMIC SHARI'A COUNCIL**  
**YEAR ENDED 31 December 2020**

**Registered Charity Name**                      THE ISLAMIC SHARI'A COUNCIL

**Charity Registration Number**              1003855

**Company Registration Number**

**Registered Office**                              34 Francis Road  
Leyton  
London  
E10 6PW

**Trustees**    Dr Suhaib Hasan  
Dr Liaquat Ali  
Mr Mohammed A Sayeed  
Dr Tariq Rajbee

**Accountant**    **Shipkolye Financial services**  
89 Langham Road  
London N15 3LR

**Bankers**    Barclays bank  
839 High Road  
London E11 1HL

**THE ISLAMIC SHARI'A COUNCIL**  
**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS**  
**YEAR ENDED 31 DECEMBER 2020**

I have examined the accounts of the charity for the period ended 31<sup>st</sup> December 2020, which are set out on pages 3 to 9.

**RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND EXAMINER**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the 1993 Act), and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 43 of the 1993 Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 43 of the 1993 Act; and
- to state whether particular matters have come to my attention.

**BASIS OF EXAMINER'S REPORT**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, I do not express an audit opinion on the view given by the accounts.

**INDEPENDENT EXAMINER'S STATEMENT**

In connection with my examination, no matter has come to my attention:

1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep proper accounting records in accordance with section 386 of Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Shipkolye Financial Services  
89 Langham Road  
London N15 3LR  
17<sup>th</sup> August 2021

**THE ISLAMIC SHARI'A COUNCIL**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE**  
**INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 DECEMBER 2020**

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
Note	£	£	£	£
<b>INCOMING RESOURCES</b>				
Incoming resources from generating funds:				
Voluntary income				
Fees	2	128,980	128,980	139,276
Grants	3			
Activities for generating funds	4			
Investment income	5			
Incoming resources from charitable activities				
		<u>128,980</u>	<u>128,980</u>	<u>139,276</u>
<b>TOTAL INCOMING RESOURCES</b>				
<b>RESOURCES EXPENDED</b>				
Cost of generating funds	6			
Charitable activities	7	(111,457)	(111,457)	(119,366)
Governance costs	8	(36,273)	(36,273)	(28,964)
		<u>(147,730)</u>	<u>(147,730)</u>	<u>(148,330)</u>
<b>TOTAL RESOURCES EXPENDED</b>				
<b>NET (OUTGOING) / INCOMING RESOURCES FOR THE YEAR</b>				
		<u>(18,750)</u>	<u>(18,750)</u>	<u>(9,054)</u>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		<u>5,575</u>	<u>5,575</u>	<u>14,629</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>				
		<u>(13,175)</u>	<u>(13,175)</u>	<u>5,575</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 5 to 8 form part of these financial statements.

**THE ISLAMIC SHARI'A COUNCIL**  
**BALANCE SHEET**  
**YEAR ENDED 31 DECEMBER 2020**

	Note	2020	2019	
		£	£	£
<b>ASSETS</b>				
Building		640,350		640,000
Office equipment		3,763		3,763
Debtors		4,370		3,950
Cash at bank and in hand	9	33,065		45,912
		<u>45,375</u>		<u>56,922</u>
<b>CREDITORS: Amounts falling due after one year</b>	10	<u>(33,575)</u>		<u>(25,572)</u>
<b>NET CURRENT ASSETS</b>			<b>11,800</b>	31,350
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,800</u>	<u>31,350</u>
<b>NET ASSETS</b>			<u>11,800</u>	<u>31,350</u>
<b>FUNDS</b>				
Unrestricted income funds	11	(13,175)		5,575
Restricted income funds	12	24,975		25,775
<b>TOTAL FUNDS</b>			<u>11,800</u>	<u>31,350</u>

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledges their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

These financial statements were approved by the Trustees on:

Dr Suhaib Hasan (Chair):

Dr Liaquat Ali (Treasurer):

**The notes on pages 5 to 8 form part of these financial statements.**

**THE ISLAMIC SHARI'A COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and follow the recommendations in the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) and the Companies Act 2006.

**Incoming resources**

All incoming resources of a revenue nature are included as income to the period to which they relate to donation for the furtherance of the community around Dagenham.

**Resources expended**

All expenditure is included on an accrual basis, inclusive of any VAT, which cannot be recovered. Expenditure is allocated to specific activities where the cost relates directly to that activity.

**Restricted funds**

Restricted income received are accounted for separately as restricted funds and are used for the purposes specified by the donor

**2. VOLUNTARY INCOME GRANTS:**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Miscellaneous	_____	_____	_____	_____
	=====	=====	=====	=====

**3. INCOME:**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Fees Received	<b>128,980</b>		<b>128,980</b>	139,276
	_____	_____	_____	_____
	<b>128,980</b>	=====	<b>128,980</b>	139,276
	=====	=====	=====	=====

**THE ISLAMIC SHARI'A COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2020**

**4. ACTIVITIES FOR GENERATING FUNDS:**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Commission on Sales	_____	_____	_____
	=====	=====	=====

**5. INVESTMENT INCOME :**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Bank Interest Received	_____	_____	_____
	=====	=====	=====

**6. COSTS OF GENERATING FUNDS:**

	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Building Cost	<b>000</b>	000
	<b>000</b>	000
	=====	=====

**7. COSTS OF CHARITABLE ACTIVITIES:**

	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Staff costs		
Support costs	<b>147,730</b>	148,330
Direct project expenditure		
	<b>147,730</b>	<b>148,330</b>
	=====	=====

**THE ISLAMIC SHARI'A COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**7a. STAFF COSTS:**

	<b>Total Funds</b>	<b>Total Funds</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff Salaries	<b>71,576</b>	72,947
Employers NI	<b>000</b>	13,767
	<u><b>71,576</b></u>	<u>86,714</u>

**7b. SUPPORT COSTS:**

	<b>Total</b>	<b>Total Funds</b>
	<b>Funds</b>	<b>2019</b>
	<b>2020</b>	<b>£</b>
	<b>£</b>	
Volunteers expenses	<b>000</b>	2,302
Printing	<b>6,268</b>	8,108
Rates	<b>2,096</b>	1,816
Phone	<b>7,763</b>	4,882
General Exp	<b>6,364</b>	773
Bad debts	<b>6,550</b>	3,144
Leasing & Repair	<b>4,993</b>	8,378
Bank Charges	<b>1,803</b>	1,736
Insurance	<b>1,648</b>	648
Utilities	<b>3,264</b>	000
Miscellaneous	<b>132</b>	607
	<u><b>39,881</b></u>	<u>32,394</u>

**THE ISLAMIC SHARI'A COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**8. Contractors:**

	Total Funds 2020 £	Total Funds 2019 £
Profession Cost	33,699	26,054
Misc Utilities	2,574	3,168
	<u>36,273</u>	<u>29,222</u>

**9. CASH AT BANK AND IN HAND**

	2020 £	2019 £
Barclays current account	34,167	45,912
	<u>34,167</u>	<u>45,912</u>

**10. CREDITORS: Amounts falling due within one year**

	2020 £	2019 £
Mahr bank	23,662	23,494
Creditors Outstanding	9,913	1,740
Accruals-(Fatwa Council & Quran society)	000	337
	<u>33,575</u>	<u>25,572</u>

THE ISLAMIC SHARI'A COUNCIL  
MANAGEMENT INFORMATION  
YEAR ENDED 31 DECEMBER 2020

**The following pages do not form part of the statutory financial statements.**

**NAMES AND POSITIONS OF TRUSTEES IN 2020.**

Mr. M. Abu Sayeed (Chairman)

Dr. Suhaib Hasan (Secretary)

Dr. Liaquat Ali (Treasurer)

Dr. Tariq Rajbee.

**STRUCTURE, GOVERNANCE AND MANAGEMENT.**

The Trustees present their report and the financial statements for the year ended 31 December 2020. The Trustees who served during the year and up to the date of this report are listed on page 1.

The Islamic Shari'a Council was established in 1982 in a meeting attended by various scholars representing a number of mosques in the UK. The Council is a Welfare and non- for-profit making registered charity, and has adopted a constitution on 14 March 1991.

The main function of the Council is to guide the Muslims in the UK in matters related to religious issues as well as solving their matrimonial problems. The majority of clients who approach the Charity are women from ethnic minorities who require help with their marital problems. The Charity can help give them relief from abusive marriages at the first instance. It also directs clients to other organisations who may be able to help them, such as marital counselling, anger management, charities who give financial help and so forth. Although costs are involved for the service provided by the Charity, these services are provided at a considerably reduced cost to our clients.

The Charity works with all denominations of Muslims and does not discriminate because of ethnic origin, school of law or any disabilities. It treats all its clients as valued members of society and offers the best advice it can to each client.

A system of line management, appraisal, staff development and supervision is in place, together with grievance and complaints procedures, and financial procedures.

The Trust operates with a written Constitution and clear written procedures. A new Trustee will be nominated by an existing trustee; he or she will be chosen if approved by unanimous agreement.

### **ADDITIONAL GOVERNANCE ISSUES.**

Trustees, scholars, and staff are required to be aware of Continuous Professional Development and to attend an annual training day in which policies and procedures are reviewed and improved. Participants receive training on talking to vulnerable adults, mental health issues, domestic violence, data confidentiality, current thinking in Islamic law on marriage and divorce issues and ensuring the safety and confidentiality of all clients. Representatives of a local solicitors' firm are invited to explain issues of legal interest, such as validity of religious marriages at home and abroad, or legal effect of Non-Molestation Orders.

Members of the Council are active within the Muslim community, media, Parliament, and other arenas to promote issues of citizenship, societal harmony, mutual understanding and respect, gender equality and interfaith dialogue.

### **OBJECTIVES AND ACTIVITIES**

The objectives of the Council are

- 1- To help the Muslim community by
  - (a) Fostering and encouraging the practice of moderate and sincere Islamic faith according to the Quran and the Sunnah.
  - (b) Providing advice and assistance for Muslim families who need help with counselling, mediation, or religious divorce.
  - (c) To make decisions on matters of religious law and practice.
  - (d) Promoting the proper practice of the Islamic faith in the United Kingdom and engaging with the wider community to dispel myths about Islam.
- 2- To educate the wider community about Islam and Muslims and to offer a counter-narrative to divisive and Islamophobic beliefs.

### **SUMMARY OF MAIN ACTIVITIES:**

The staff and Trustees understand their obligation and give full regard to the Charity Commission's public benefit guidance.

The primary role of the Trust is to benefit the wider public, especially the Muslim community, in its daily life. Most of the clients are Muslims, although we have dealt with a small number of divorce cases in which English women of Christian backgrounds had been abandoned by their Muslim husbands. We were able to assist with religious divorces to all the women concerned.

Our clients are generally Muslims who are involved in difficult disputes, whether with colleagues or family. We offer a mediation service, counselling and religious advice at the office. Many of our clients are women with limited access to funds. We offer highly subsidised rates and also refer clients to charities that can offer financial help, such as the National Zakah Foundation.

The Trust has also forged contact with mainstream news media, interfaith organisations such as The Light Foundation and Three Faiths Forum, university Law societies and international organisations such as The Forum for Promoting Peace; scholars are available to give interviews and participate in discussions in order to counter negative understandings of Islam.

## **OTHER ACHIEVEMENTS OF THE TRUST IN THE PAST YEAR.**

1- The year 2020 was the year of the Covid 19 pandemic. When the lockdown happened in March 2020, the office was shut immediately, but the office continued to receive calls and emails for help and advice. The Trustees and staff held a virtual meeting and decided it was important to keep the office functioning. The staff then worked hard over a period of two weeks to make the office fully digital and paperless. Online training was given to all members to help them navigate the new technology. Since then, the office has been fully operational but physical access for clients has been restricted.

2- Participating and speaking at the Forum for World Peace on an online platform.

3- Staff development by attending a course on GDPR rules and general data protection and data security.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES.**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of Charity and of the incoming resources and application of resources of the Charity for that year. 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;

- make judgments and estimates that are reasonable and prudent;

- state whether applicable UK 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 inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008.

They are also responsible for safeguarding the assets of the charity and for taking steps for the prevention and detection of fraud.

## **DECLARATION**

The Trustees declare that they have approved the trustees' report above.

Dr Suhaib Hasan

Trustee and Secretary

21 September 2021.

