

LIVERPOOL MUSLIM SOCIETY
Registered Charity No 503822

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST MARCH 2021

Prepared By: -

The Board of Trustees
Liverpool Muslim Society
29/31 Hatherley Street
Liverpool L8 2TJ

**LIVERPOOL MUSLIM SOCIETY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

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LIVERPOOL MUSLIM SOCIETY
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 31ST MARCH 2021

Professional Advisers & Charity Information

Name:	Liverpool Muslim Society
Governing Document:	The Society is governed by a constitution. The Charity registration was agreed on 2nd December 1974. The most recent revision of the constitution took place in 2010 and was adopted on 25th April 2010. Further amendments were made and approved on 24 th of December 2017.
Registered Office:	29-31 Hatherley Street Toxteth Liverpool L8 2TJ
Trustees:	(See page 7)
Bankers:	NatWest Bank Plc Liverpool City Office (B) Branch 2-8 Church Street Liverpool L1 3BG
Independent Examiner:	Mohammed Arshad Arshads Accounting & Tax Services 12 Olivetree Road Liverpool L15 7LL

**LIVERPOOL MUSLIM SOCIETY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2021**

The Trustees have the pleasure in presenting their Annual Report and Financial Statements for the year ended 31st March 2021.

LEGAL AND ADMINISTRATIVE DETAILS

Governing Instrument. The Liverpool Muslim Society is constituted as a registered charity in the UK and governed by a constitution.

Membership is open to interested individuals accepted into membership by the Trustees, following completion of a prescribed membership form.

Trustees. The Society's work is directed by a board of Trustees, who approve the policy for the organisation. The activities of the Society are overseen by various sub-committees who meet as and when required and report to the Board [Management Committee]. The board is composed of 8 trustees. All trustees resign at the end of the term and are eligible for re-election.

Objects of the Project. The Objects are:

- (a) To promote Islam as a religion by means which are charitable according to the law of England and Wales.
- (b) For the public benefit, to relieve need and advance education amongst Muslim residents in the North-West of England.
- (c) In the interests of social welfare, to provide or assist in the provision of facilities for recreation and other leisure-time occupation.

PUBLIC BENEFIT STATEMENT

In planning activities, the Trustees have considered guidance from the Charity Commission to ensure public benefit requirements are met.

REVIEW OF THE YEAR

Activities conducted by LMS

2020 was an unprecedented year all around and not less so at LMS where the main activity of the organization which is conducting the daily prayer at the Mosque was interrupted due to Corona virus spread and the subsequent three lockdowns which dictated the closure of the Mosque as stated below.

- 1st closure was between 16th March 2020 to 05th of September 2020
- 2nd closure was between 05th November 2020 to 02nd of December 2020
- 3rd closure was between 05th of January 2021 to 08th of March 2021

When the Mosque was open, it operated with much less capacity to uphold Covid rules of social distancing and limiting the time people stay on the premises to help minimize the spread of the virus. These measures have affected the services the LMS normally deliveries and the income it generates.

LIVERPOOL MUSLIM SOCIETY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

Despite this, however, Liverpool Muslim Society carried out variety of activities online and through the Mosque receiver in order to achieve its objectives during the year ended 31st March 2021.

Services provided by the Imams in the Masjid

The voluntary Imams continued to deliver the weekly Jumaa sermon and daily prayers which were broadcasted on the Mosque receiver. They also carry out marriage registrations, divorce services, marital consultations and bereavement support while applying the covid regulations.

Activities and services carried out by volunteers in the Masjid

Throughout the week, the activities delivered by members of the community both males and females continued. Example of these activities are as follows:

- Broadcasting of daily Athan (call for prayers) and lectures on the Mosque receiver
- Maintaining of contact with the community particularly the vulnerable
- Set up the 'Support the Vulnerable Initiative' to provide the basic need of the vulnerable in the community during the lockdown
- Madrasah classes for boys and girls online via Zoom
- Hosted three (3) rounds of Covid-19 Vaccination Pop-up Clinics
- Equipped the Mosque appropriately to deal with the reopening and return of worshippers
- The usual marriage and divorce registration, family counselling and bereavement support.
- Other specialised day events were also delivered at Al-Rahma Mosque such as Safeguarding training one day event by LCC on 28th November 2020

Humanitarian Appeal

LMS was successful in securing funds a total of £15,500 from four charity organizations namely; Steve Morgan Foundation, Community Foundation for Merseyside, P.H Holt and Tesco Bags of Help to help the community during this difficult and unprecedented times. LMS worked closely with several organizations and charities to deliver this service to the larger community some of which are Refugee Women Connect, Councillors, local GP Consortium, Wirral Change, Al Ghazali Centre, the Arabic Centre, Liverpool Muslim Outreach and Merseyside Somali Community and Association.

Schools Education Visits

There were no school visits during the report period due to Corona virus spread and the closure of schools.

Awards and Recognition

LMS was recently awarded the prestigious British Beacon Mosque Award 2021 for the Best Outreach Category for its services during the pandemic.

LIVERPOOL MUSLIM SOCIETY
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

Employees

LMS's 5 employees were put on furlough during the Mosque's closure and later were made redundant as part of the restructure plan that was proposed in 2019/2020. New jobs will be advertised to fill the vacancies as soon as possible.

RESULTS FOR THE YEAR

The results for the year are set out on the finance pages following this report.

RESERVES POLICY

Historically, LMS tries to maintain a buffer of free reserves equivalent to at least two months of annual core expenditure. The average monthly expenditure is estimated to be approximately £15,000 therefore the target reserve is approximately £30,000. But during the pandemic and the lock-downs the main means of the LMS's income which are the Friday collections and the fund raising during Ramadan were affected as the Mosque was closed. Therefore, the income was heavily dependent on online fund raising and collections at local shops.

RISK

The major challenge the organization faces normally is raising sufficient funds to pay for its expenses. This has been hugely affected by the Covid 19 where the Mosque was closed for good part of the year and when reopened it was operating at much reduced capacity. To mitigate this risk, LMS heavily depended on online fund raising and collecting at local shops. Furthermore, card machines readers were introduced when the Mosque reopened to maximize on the income.

FINANCIAL REVIEW

During the period, the Society continued to raise funds to meet its financial commitments and to support ongoing and new projects. The organization actively sought new venues to maximize on its income generating activities during this unprecedented difficult period. Examples of such venues are new approaches to better engage with the donors and facilitating new ways of collecting donations such as online fund raising, collections at local shops. These have enabled the Society to raise funds to meet its commitments and to complete the refurbishment of the flats in properties 94 and 96 Princes Road.

THE FUTURE

The board of trustees continued to explore venues to increase income, reduce expenses, enhance services and mitigate potential risks. Listed below are projects planned for the next financial year.

- LMS purchased the property No 27 Hatherley Street in January 2020 and plans to refurbish it fully by the next financial year.
- Fully refurbish No 3 Hatherley Street and rent it out.
- LMS plans to expand on the Maddressah to accommodate more students.
- LMS aims to set up Al-Rahma Tahfeedh to teach Quran classes to young boys and girls.
- LMS plans to repurpose the Porta Cabin area and the adjacent plot of land.
- LMS aims to facilitate specialized services to the community by working closely with Liverpool Central primary Care, local GPs, Job centres - careers advice and liaising with universities.
- LMS aims to work with and accommodate the youth by providing them with space and logistics to help them achieve their potentials.
- LMS plans on attracting and accommodating religious scholars to uplift the spiritual knowledge and understanding of both males and females, young and old members of the community.

LIVERPOOL MUSLIM SOCIETY
TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31ST MARCH 2021

BOARD OF TRUSTEES

The trustees who were elected on 15th September 2019 to serve a period of 4 years are as follows:

Dr Badr Abdullah (Chairman)	Dr Thamir Ismail
Mr Ismail Saleh (Vice Chairman)	Mr Shams ul Haque Khan
Mr Marwan Gawher (Treasurer)	Mrs Asmaa Al-Thubhani
Dr Mohamed Mahyoub (Secretary)	Mr Ethiyah Asem Ahmad

TRUSTEES' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

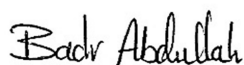
The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its net incoming or outgoing resources for that period. In preparing these financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with SORP 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL

The report was approved by the board of Trustees and signed on its behalf on 28th January 2022.



Badr Abdullah
Trustee (Chairman)



Marwan Gawher
Trustee (Treasurer)

Registered Office:
29/31 Hatherley Street
Liverpool L8 2TJ

Independent Examiner's Report

To the board of trustees of Liverpool Muslim Society on the financial statements for the year ended 31st March 2021.

I report on the accounts of the charity for the year ended 31st March 2021, which are set out on Pages 9 – 16.

Respective responsibilities of 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 144 (2) of the Charities Act 2011 and that an independent examination is required.

It is my responsibility to:

- a) examine the accounts under section 145 of the 2011 Act
- b) to follow the procedures laid down in the general directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- c) to state whether particular matters have come to my attention

Basis of Independent 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below:

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 accounting records in accordance with section 130 of the 2011 Act
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

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.



Mohammad Arshad

Arshads

Accounting & Tax services

12 Olivetree Road

Liverpool

L15 7LL

28.01.2022

LIVERPOOL MUSLIM SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Note</u>	UNREST (£) ⁽¹⁾	REST (£) ⁽²⁾	Total (£) 2021	Total (£) 2020
INCOMING RESOURCES					
Incoming resources from generated funds	2	46,020	-	46,020	28,218
Incoming resources from Charitable Activities	3	<u>71,441</u>	<u>105,303</u>	<u>176,744</u>	<u>221,125</u>
TOTAL INCOMING RESOURCES		<u>117,461</u>	<u>105,303</u>	<u>222,764</u>	<u>249,343</u>
RESOURCES EXPENDED					
Costs of generating funds	8	54,114	-	54,114	36,202
Charitable activities	9	<u>97,677</u>	<u>74,664</u>	<u>172,341</u>	<u>210,274</u>
TOTAL RESOURCES EXPENDED		<u>151,791</u>	<u>74,664</u>	<u>226,455</u>	<u>246,476</u>
NET (OUTGOING)/INCOMING RESOURCES		(34,330)	30,639	(3,691)	2,867
Donation of Quran and Islamic Books			10,000	10,000	
Balances brought forward		<u>1,352,249</u>	<u>400,206</u>	<u>1,752,455</u>	<u>1,749,588</u>
Balances carried forward		<u>1,317,919</u>	<u>440,845</u>	<u>1,758,764</u>	<u>1,752,455</u>

1 - Unrestricted fund

2 - Restricted fund

LIVERPOOL MUSLIM SOCIETY
SUMMARY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021

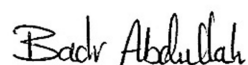
	2021	2020
	£	£
INCOMING RESOURCES	222,764	249,343
RESOURCES EXPENDED	<u>(226,455)</u>	<u>(246,476)</u>
TOTAL (DEFICIT)/SURPLUS	<u>(3,691)</u>	<u>2,867</u>

All of the activities of the charity are classed as continuing

LIVERPOOL MUSLIM SOCIETY
BALANCE SHEET AS AT 31ST MARCH 2021

	<u>Note</u>	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	10		1,689,861		1,720,748
CURRENT ASSETS					
Debtors	11	8,382		20,449	
Loan Advanced		-		1,580	
Prepayments		1,321		3,578	
Cash at bank and in hand		<u>78,799</u>		<u>30,607</u>	
		88,502		56,214	
CREDITORS: amounts falling due within one year	12		<u>(19,599)</u>		<u>(24,507)</u>
NET CURRENT ASSETS			<u>68,903</u>		<u>31,707</u>
TOTAL ASSETS			<u>1,758,764</u>		<u>1,752,455</u>
FUNDS					
REST	5		440,845		400,206
UNREST	5		<u>1,317,919</u>		<u>1,352,249</u>
TOTAL FUNDS			<u>1,758,764</u>		<u>1,752,455</u>

For the financial year ended 31st March 2021, the Society is entitled to be examined by an independent examiner. The governing instrument of the parent charity does not require an audit to be carried out and members have not asked for one. The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records in accordance with section 130 of the 2011 Act; and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act. The accounts were approved by the board of trustees on 28th January 2022 and signed on its behalf by:



Badr Abdullah
Trustee (Chairman)



Marwan Gawher
Trustee (Treasurer)

The notes on pages 13 to 16 form part of these accounts

LIVERPOOL MUSLIM SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 1993.

(b) Depreciation

Depreciation is calculated to write off the cost of fixed assets, less estimated residual value, over their estimated useful economic lives on the following basis: -

Properties	2%	Straight line
Portacabin	10%	reducing balance
Equipment, Furniture, Fixtures & Fittings	20%	reducing balance
Books & Reference Materials	15%	reducing balance

(c) Incoming Resources

Investment income is recognized on a receivable basis.

Income from charitable activities includes donations from members, zakat and hall hire. Income from charitable activity is deferred when a payment is received in advance for the following financial period.

(d) Resources Expended

Expenditure is recognized when a liability is incurred.

- Charitable activities include expenditure associated with Masjid activities, education, health, sports, social, welfare and recreation activities and include both the direct costs and support costs relating to these activities.
- Management and Administration costs include those incurred in the management and administration of the Masjid, including governance of the parent charity and its assets and are primarily associated with constitutional and statutory requirement.

(e) Fund Accounting

Funds held by the charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds – these are funds that can only be used for restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

(e) Taxation

The Society is a registered charity and is not subject to UK corporation tax.

(f) Value Added Tax

The Charity is registered for value added tax but may de-registering in the near future.

LIVERPOOL MUSLIM SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

	UNREST (£)	REST (£)	Total Funds (£) 2021	Total Funds (£) 2020
<u>INCOMING RESOURCES</u>				
2 Incoming resources from generated funds				
Investment Income	<u>46,020</u>	-	<u>46,020</u>	<u>28,218</u>
	<u>46,020</u>	-	<u>46,020</u>	<u>28,218</u>
3 Incoming resources from Charitable Activities				
Humanitarian Appeal Fund	-	16,005	16,005	32,519
Building Project Fund	-	844	844	27,315
Zakat Fund	-	6,200	6,200	34,155
Education & Daawah	-	4,695	4,695	-
General Donations	71,441	-	71,441	127,136
Funeral Fund	-	<u>77,558</u>	<u>77,558</u>	-
	<u>71,441</u>	<u>105,303</u>	<u>176,744</u>	<u>221,125</u>
TOTAL INCOMING RESOURCES	<u>117,461</u>	<u>105,303</u>	<u>222,764</u>	<u>249,343</u>
4 NET INCOMING RESOURCES			2021	2020
The net incoming resources is stated after charging:			£	£
Depreciation			<u>40,887</u>	<u>6,905</u>
5 ANALYSIS OF FUND BALANCE BETWEEN THE NET ASSETS	UNREST (£)	REST (£)	Total Funds (£) 2021	Total Funds (£) 2020
Tangible fixed asset	1,293,178	396,683	1,689,861	1,720,748
Current asset	44,340	44,162	88,502	56,214
Current liabilities	<u>(19,599)</u>	-	<u>(19,599)</u>	<u>(24,507)</u>
FUND BALANCE	<u>1,317,919</u>	<u>440,845</u>	<u>1,758,764</u>	<u>1,752,455</u>

LIVERPOOL MUSLIM SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

6 STAFF COSTS (including trustees)	2021	2020
	£	£
Salaries & wages	<u>5,550</u>	74,436
	<u>5,550</u>	<u>74,436</u>
	2021	2020
	13	13

7 TRUSTEES REMUNERATIONS AND EXPENSES

No remuneration or reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the period.

RESOURCES EXPENDED	UNREST (£)	REST (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
8 Costs of generating funds				
Repairs & Renewal	50,531	-	50,531	34,604
Cleaning & Sanitation	561	-	561	200
Council tax	1,794	-	1,794	21
Heating & Lighting	242	-	242	657
Insurance	<u>986</u>	-	<u>986</u>	<u>720</u>
	<u>54,114</u>	-	<u>54,114</u>	<u>36,202</u>

LIVERPOOL MUSLIM SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

RESOURCES EXPENDED	UNREST (£)	REST (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
9 Charitable Activities				
Humanitarian Appeal	-	10,572	10,572	35,372
Hardship Relief	-	1,450	1,450	2,815
Wages and Salaries	5,550	-	5,550	74,436
Subscriptions	622	-	622	1,199
Volunteers' Expenses	5,569	-	5,569	9,680
Zakat & Eid Gifts	-	6,954	6,954	18,430
Volunteers' Expenses Maddressah	-	3,540	3,540	
Food & Serving Materials for Iftar	-	-	-	2,804
Heating & Lighting	4,684	-	4,684	5,883
Repairs & Renewals	9,577	-	9,577	19,981
Professional & Legal	1,244	-	1,244	2,678
Education & Daawah	-	1,880	1,880	-
Printing and Stationery	1,860	-	1,860	3,570
Insurance	4,508	-	4,508	4,907
Business & Water Rates	-	-	-	5,544
Council tax	-	-	-	118
Cleaning & Sanitation	1,902	-	1,902	3,612
Bank Service Charges	1,329	-	1,329	1,686
Sundries	2,005	-	2,005	1,323
Telephone & Internet	715	-	715	1,531
Bad Debts	17,225	-	17,225	7,800
Depreciation	40,887	-	40,887	6,905
Funeral Services	-	50,268	50,268	-
	<u>97,677</u>	<u>74,664</u>	<u>172,341</u>	<u>210,274</u>
TOTAL EXPENDED RESOURCES	<u>151,791</u>	<u>74,664</u>	<u>226,455</u>	<u>246,476</u>

LIVERPOOL MUSLIM SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

10 TANGIBLE FIXED ASSETS	Properties	Portacabin	Books & Ref Materials	Equipment Fixtures & Fittings	Total
	£	£	£	£	£
COSTS					
At 1st April 2020	1,689,944	15,813	1,362	203,671	1,910,790
Donations of Quran and Islamic Books	-	-	<u>10,000</u>	-	<u>10,000</u>
At 31st March 2021	<u>1,689,944</u>	<u>15,813</u>	<u>11,362</u>	<u>203,671</u>	<u>1,920,790</u>
 DEPRECIATION					
At 1st April 2020	-	10,300	953	178,789	190,042
Charge for the year	<u>33,799</u>	<u>551</u>	<u>1,561</u>	<u>4,976</u>	<u>40,887</u>
At 31st March 2021	<u>33,799</u>	<u>10,851</u>	<u>2,514</u>	<u>183,765</u>	<u>230,929</u>
 NET BOOK VALUE					
At 31st March 2021	1,656,145	4,962	8,848	19,906	1,689,861
At 31st March 2020	1,689,944	5,513	409	24,882	1,720,748
				2021	2020
11 DEBTORS				£	£
Sundry Debtors				8,382	20,449
Prepayments				<u>1,321</u>	<u>3,578</u>
				<u>9,703</u>	<u>24,027</u>
				2021	2020
12 CREDITORS				£	£
Amount falling due within one year					
Salaries & Wages				2,525	1,459
Sundry Creditors				17,074	22,575
Accruals				-	<u>473</u>
				<u>19,599</u>	<u>24,507</u>

13 TAXATION

No provision for taxation has been made as the Society is a registered charity.

14 GENERAL FUND

As the Charity is an un-incorporated entity, the liabilities of trustees are unlimited.