

Charity registration number: 511758

Derby Jamia Mosque

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Ashtree Audit Ltd
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Strelley Hall
Nottingham
Nottinghamshire
NG8 6PE

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Reference and Administrative Details

Chairman	Mr Hafiz Shahid Hamid
Chief Executive Officer	Mohammed Khushnud - Treasurer
Trustees	Mr Mohammed Afzal - Vice Chairman Mohammed Khushnud - Treasurer Mr Talat Naeem - Vice Treasurer Mr Kamran Khan - Secretary Mr Javaid Iqbal - Vice Secretary Mr Hafiz Shahid Hamid - Chairman
Principal Office	6 Rosehill Street Derby Derbyshire DE23 8EX
Charity Registration Number	511758
Solicitors	Flint Bishop Solicitors St Michael's Court St Michael's Lane, Derby Derby Derbyshire DE1 3HQ

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2021.

Objectives and activities

Objects and aims

The purposes of the Charity as set out in its governing document.

The charity's aim and objectives are described in the Trust Deed dated 3rd June, 1984. The trustees confirm that they have complied with the duties in section 17 (5) of the 2011 Charities Act; in that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, when reviewing the charity's aims and objectives and in planning future activities.

The objectives described are:

- To worship God.
- To promote the Muslim religion through social and cultural activities in the city of Derby, and
- To provide after school classes for learning Islamic Education and Arabic Language.

The Charities strategies for achieving its aims and objectives in the future:

The charity recognises that the membership fees are the primary source of the charitable income that ensures that the organisation is able to continue to operate and cover its general overheads.

Tuition is provided as an additional service and is charged accordingly, it is intended that the amount charged at least covers the costs of providing that service and in addition provides a contribution to the Mosque general funds.

Funds for capital improvements have historically largely been achieved by internal fund raising from the charity's own members, this is likely to continue in future.

Objectives, strategies and activities

The Charity intends to continue its educational classes to younger persons and to continue to promote the Muslim religion throughout the community and City.

The mosque reaches out to all persons in the locality and, through the use of additional smaller buildings, gives the public greater access to the charity.

The charity will continue to hold events on behalf of the members as required.

Fundraising disclosures

The charity relies upon subscriptions from its members during the year, and additional internal fundraising from its members and donors for specific purposes such as the purchase of property in order to expand and enhance the learning experience.

There have been no other substantial external fundraising activities and no external third party funding or donations have been received.

Trustees' Report

Public benefit

In the previous years the extension project at the Rosehill Street was completed in order to increase the number of people attending the mosque. The charity has purchased additional property at Village Street and improved classroom facilities in order to facilitate the increased demand for learning of Islamic education.

The core objectives continue to be to provide new improved Islamic courses and to bring various guest speakers to give lectures as well as improve the quality of teaching.

The core objective of the charity is to continue to maintain self sustainability with no reliance upon external factors or funders. To this end, the charity continues to keep a close control of the finances, continuing to monitor expenditure and to enhance both members subscriptions, donations and tuition fees.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

To achieve its objectives, the charity is reliant upon the staff employed either on full or part time basis and upon the members and volunteers, all of whom are dedicated to helping the charity.

Achievements and performance

The charity has achieved its continuing objectives of providing a venue for worship to the local Muslim community, it has also expanded its capacity for teaching Islamic education to both young and old members alike.

The Mosque undertakes events within the local community and operates as a 'central hub' to its members.

The Mosque continues to be self-sufficient, and provides services to its members at an affordable rate.

The difference the charity's performance during the year has made to the beneficiaries of the charity:
The charity has been able to provide the local community and its members with a safe environment in which to worship God, as well as integral centre for teaching and providing community facilities.

The use of additional smaller buildings gives members greater access to the charity in a more personal manner and smaller groups.

The degree to which the achievements and performance during the year have benefited wider society:
The charity seeks to promote the Muslim religion throughout the city of Derby, it provides support to individuals and educates children and adults that wish to learn about Islam.

The charity continues to hold a variety of events on behalf of the members as required.

How the achievements during the year measure up to the objectives set:

The committee are satisfied with the achievements attained during the year, it has met its primary objectives in providing facilities and services to the local community, and has maintained and managed its finances responsibly by continuing to monitor expenditure, and to enhance members' subscriptions, donations and tuition fees. The charity remains in a position to cover its overheads as well as being able to raise sufficient funds as and when required to purchase capital items and property in furtherance of its objectives.

Expenditure incurred in the year in order to raise income in the future:

Incurred £585 on equipment, and at least £59,346.85 on repairs on existing properties. The charity uses properties to provide educational classes to children and adults in line with the charity's objectives.

Property purchases and improvements enable the charity to increase its membership base and to provide educational classes to a greater number of children and adults, in furtherance to the charity's objectives. The classes generate tuition income, and additional membership fees, for both current and future periods.

Trustees' Report

Significant events which have affected the financial performance and financial position:
Changes in fixed assets are shown in the detail in the notes to the accounts.

The charity has chosen not to revalue its land and property, it has used historic cost or net current value.

Financial review

Total funds increase to £4,769,138 from £4,700,906 (2020). This increase is analysed as follows: There are no changes since previous year to restricted reserves (£454), and Unrestricted reserves increase from £4,700,452 to £4,769,138.

The above shows an overall net increase of £68,232.

Financial performance during the period shows total income decreasing to £547,642 from £646,793 (2020), and total expenditure decreased from £532,571 (2020) to £479,410.

Net income decreases by 40.26% to £68,232 from £114,222 (2020).

Funds of £59,397 have been allocated for repairs and maintenance of charity's properties without resorting to external funding, borrowing or grants, but all from cash reserves.

Policy on reserves

The reserves policy of the trustees is to increase unrestricted funds, in order to primarily continue the development of the principal office of the charity. Unrestricted reserves stand at £4,769,138 and restricted reserves £454.

At present, reserves are in excess of £4.7 million, the majority of which are invested in Freehold land & property. Whilst the charity looks to increase unrestricted funds, it recognises that it also wishes to continue to acquire property from its own internally generated unrestricted cash resources. The level of cash reserves is therefore, liable to fluctuate depending upon the level of asset purchases in that year.

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Principal funding sources

The charity receives its income from members' donations, membership fees and from tuition fees.

Expenditure is primarily on wages and salaries in respect of the running of the charity, this includes tuition costs in respect of after school classes and furtherance of the charity's objectives.

The charity is not generally dependent upon, nor has it received grants from any external bodies in the past. However, in this financial year the charity has received furlough income of £133,904 from the government in respect of HMRC's Coronavirus Job Retention Scheme. In addition to this, the charity has also received discretionary grants of £11,880 from the local council. Both of these represent funding support from the government as a direct result of the financial impact of the COVID19 pandemic on the charity during the financial year.

Income from the charity's members is in effect expended upon those same members by way of the provision of a place of worship, and through education.

Trustees' Report

Structure, governance and management

Nature of governing document

The Charity is constituted as an unincorporated charity, established by Trust Deed and its governing document is a Trust Deed and its formal provisions.

The Governing Document is dated 3rd June, 1984.

The governing document was amended on 19th February, 1992, 18th November, 2007, 20th December, 2009, 1st January, 2012 and 13th January, 2013.

The Trustees are all individuals

Recruitment and appointment of trustees

The management Committee consists of between six and twelve members, who are appointed every two years at an Annual General Meeting.

Potential committee members are identified and selected from the Charity's general membership and local community. Trustees are selected based upon their knowledge, relevant skills and time available to commit to the charity.

How the charity makes decisions and how decisions are delegated:

The charity has a management committee (trustees) of volunteer members, who have overall control and responsibility for policy and major decision making.

Day to day management and responsibility for implementing policies is carried out by a paid manager and other assistants/administrators. Tuition and other part time staff are employed for specific tuition and tasks.

Risks and uncertainties facing the Charity.

The Board of Trustees have examined the major strategic, business and operational risks faced by the charity. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants in all activities organised by the charity. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

The charity receives a large proportion of its income from members in the form of cash donations, the handling of and safe custody of cash represents a financial and operational risk to the charity, additional procedures have been implemented to ensure the transparency of donations, the accurate recording of income, and the minimisation of the risks of theft and fraud.

The provision of education and tuition to children and other vulnerable individuals within the community represents an operational risk to the charity and its members, additional safeguarding procedures and policies have been implemented to mitigate these risks. During the lockdown the classes were suspended and replaced with online classes. However the number of students dropped significantly from 1000 students y/e 31.03.2020 to 400 students during y/e 31.03.2021. At the moment the classes started again and the number of students increased to 800 students.

The financial impact of COVID-19 on the going concern of the charity became an emerging risk towards the end of the previous financial year and into this current year. This has been assessed by the Board of Trustees on an on-going and continual basis to ensure that donations received are not significantly affected by the global pandemic by introducing alternative ways in which members can donate money. This has included marketing campaigns on the radio, affixing donation boxes to the entrance gates of all the mosques and actively contacting individuals and organisations to donate

Trustees' Report

Potential impact of the Brexit and the Euro

The trustees do not believe that Britain exiting the European Union will have any material or adverse impact on the charity or its future performance.

Going concern and COVID 19

The trustees have considered the impact of the COVID-19 pandemic on the charity from both a financial and economic perspective.

As part of this review, the trustees have considered its current working capital and cash resources together with cash flow forecasts for a period of at least 12 months from the date of signing of these financial statements and are confident that the charity can meet its liabilities as they fall due.

As such, the trustees do not believe that COVID-19 will have any material or adverse impact on the charity's ability to continue as a going concern.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on ~~.....~~ ^{30.06.2021} and signed on its behalf by:



.....
Mr Hafiz Shahid Hamid
Chairman



.....
Mr Mohammed Khushnud - Treasurer
Trustee

Trustees' Report

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

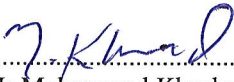
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper 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 the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 30.06.2021 and signed on its behalf by:



.....
Mr Hafiz Shahid Hamid
Chairman



.....
Mr Mohammed Khushnud - Treasurer
Trustee

Report of the Independent Auditors to the Trustees of Derby Jamia Mosque

Opinion

We have audited the financial statements of Derby Jamia Mosque (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In seeking to form an opinion on the financial statements the implications of the following significant uncertainty was considered:

- In respect of land and buildings, searches with HM Land Registry identified that in some instances title deeds were not in the name of the Charity but held in the names of previous trustees.

In respect of the above, we have been unable to obtain sufficient and appropriate audit evidence regarding the possible effect of the uncertainty.

Disclaimer of opinion on financial statements

Because of the significance of the possible impact of the uncertainty relating to the ownership of certain land and buildings, as described in the basis for disclaimer of opinion on financial statements paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 the 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Report of the Independent Auditors to the Trustees of Derby Jamia Mosque

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Following a detailed risk assessment at the planning stage, which was updated for any further risks of fraud and error identified during the fieldwork, the following areas of risk were identified:

- Income recognition.
- The sector has been heavily impacted by restrictive measures implemented to address Covid-19. Staff have been placed on furlough. There is a risk of fraud and error arising in relation to claims.

In response to the specific risk areas identified, our procedures included the following:

- In addressing income recognition, we performed detailed and substantive testing of donations received and income from charitable activities on a sample basis throughout the year.
- In addressing the risk of fraud in relation to government support schemes, we performed detailed testing on a sample of furlough claims throughout the period.

Report of the Independent Auditors to the Trustees of Derby Jamia Mosque

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. Furthermore, there are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ashtree Audit Ltd

Ashtree Audit Ltd
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Strelley Hall
Nottingham
Nottinghamshire
NG8 6PE

Date: 30.06.2021

Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies		361,558	-	361,558	489,145
Charitable activities		40,300	-	40,300	147,376
Other income		145,784	-	145,784	10,272
Total Income		<u>547,642</u>	<u>-</u>	<u>547,642</u>	<u>646,793</u>
Expenditure on:					
Charitable activities		(4,696)	-	(4,696)	(9,146)
Other expenditure	5	(474,714)	-	(474,714)	(523,425)
Total Expenditure		<u>(479,410)</u>	<u>-</u>	<u>(479,410)</u>	<u>(532,571)</u>
Net income		<u>68,232</u>	<u>-</u>	<u>68,232</u>	<u>114,222</u>
Net movement in funds		68,232	-	68,232	114,222
Reconciliation of funds					
Total funds brought forward		<u>4,700,452</u>	454	<u>4,700,906</u>	<u>4,586,684</u>
Total funds carried forward	15	<u>4,768,684</u>	<u>454</u>	<u>4,769,138</u>	<u>4,700,906</u>


All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 15.

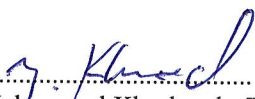
(Registration number: 511758)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	4,381,091	4,436,239
Current assets			
Debtors	12	11,734	13,495
Cash at bank and in hand		<u>433,129</u>	<u>304,961</u>
		444,863	318,456
Creditors: Amounts falling due within one year	13	<u>(56,816)</u>	<u>(53,789)</u>
Net current assets		<u>388,047</u>	<u>264,667</u>
Net assets		<u>4,769,138</u>	<u>4,700,906</u>
Funds of the charity:			
Restricted funds		454	454
Unrestricted income funds			
Unrestricted funds		<u>4,768,684</u>	<u>4,700,452</u>
Total funds	15	<u>4,769,138</u>	<u>4,700,906</u>

The financial statements on pages 11 to 21 were approved by the trustees, and authorised for issue on ~~30.06.2021~~ and signed on their behalf by:



 Mr Hafiz Shahid Hamid
 Chairman



 Mohammed Khushnud - Treasurer
 Chief Executive Officer and Trustee

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Derby Jamia Mosque meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity has opted not to include a cash flow statement in these financial statements

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Notes to the Financial Statements for the Year Ended 31 March 2021

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the charity will comply with conditions attaching to them and the grants will be received using the accrual model.

Grants relating to revenue are recognised in profit and loss on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate. Grants that are received in respect of expenses or losses already incurred by the charity are recognised in profit and loss in the period when the grant becomes receivable.

Taxation

As a registered charity, the organisation is exempt from income and corporation tax to the extent that its income and gains are applied towards the charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

Tangible fixed assets

Individual fixed assets costing £5,486,532 are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold buildings	1% straight line
Freehold land	0%
Fixtures & fittings	15% straight line

Impairment of fixed assets

An annual review of the likelihood of asset impairment is undertaken.

The charity maintains its properties, which are functional assets for its charitable purposes, to a sufficient high standard that the trustees do not consider that an impairment provision would be required unless in the instance of a significant property market collapse.

Notes to the Financial Statements for the Year Ended 31 March 2021

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Income from donations and legacies

	Unrestricted funds	Total 2021	Total 2020
	General	£	£
	£	£	£
Donations and legacies;			
Donations from individuals	361,558	361,558	489,145
	<u>361,558</u>	<u>361,558</u>	<u>489,145</u>

3 Income from charitable activities

	Unrestricted funds	Total 2021	Total 2020
	General	£	£
	£	£	£
Islamic School	40,300	40,300	147,376
	<u>40,300</u>	<u>40,300</u>	<u>147,376</u>
			Total 2021 £

4 Other income

	Unrestricted funds	Total 2021	Total 2020
	General	£	£
	£	£	£
Government grants : HMRC CJRS and COVID discretionary support grant	145,784	145,784	7,122
Income from insurance claims	-	-	3,150
	<u>145,784</u>	<u>145,784</u>	<u>10,272</u>

5 Other expenditure

	Unrestricted funds	Total 2021	Total 2020
	General	£	£
	£	£	£
Staff costs			
Wages and salaries	297,281	297,281	338,576
Social security	5,410	5,410	8,765
Pension costs	6,215	6,215	4,757

Notes to the Financial Statements for the Year Ended 31 March 2021

	Note	Unrestricted funds	Total 2021	Total 2020
		General £	£	£
Depreciation of tangible fixed assets		55,733	55,733	55,672
Rates		592	592	1,170
Water rates		4,942	4,942	3,170
Light, heat and power		27,387	27,387	43,433
Insurance		5,001	5,001	5,226
Repairs and renewals		59,347	59,347	52,216
Telephone and fax		699	699	734
Computer software and maintenance costs		230	230	-
Printing, postage and stationery		4,300	4,300	7,287
Cleaning		1,432	1,432	162
Legal and professional fees		6,145	6,145	2,257
		<u>474,714</u>	<u>474,714</u>	<u>523,425</u>

6 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>55,733</u>	<u>55,672</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

Notes to the Financial Statements for the Year Ended 31 March 2021

8 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	297,281	338,576
Social security costs	5,410	8,765
Pension costs	6,215	4,757
	<u>308,906</u>	<u>352,098</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Number of full time employees or full time equivalents	<u>31</u>	<u>35</u>

No employee received emoluments of more than £60,000 during the year

9 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>3,500</u>	<u>3,900</u>

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Notes to the Financial Statements for the Year Ended 31 March 2021

11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2020	5,056,998	428,949	5,485,947
Additions	-	585	585
At 31 March 2021	<u>5,056,998</u>	<u>429,534</u>	<u>5,486,532</u>
Depreciation			
At 1 April 2020	653,579	396,129	1,049,708
Charge for the year	49,023	6,710	55,733
At 31 March 2021	<u>702,602</u>	<u>402,839</u>	<u>1,105,441</u>
Net book value			
At 31 March 2021	<u>4,354,396</u>	<u>26,695</u>	<u>4,381,091</u>
At 31 March 2020	<u>4,403,419</u>	<u>32,820</u>	<u>4,436,239</u>

Historical costs of freehold buildings, including improvements, are as follows:

	2021 £	2020 £
6 Rosehill Street, Derby	3,543,071	3,543,071
52/54 Dairy House Road, Derby	504,697	504,697
97 Porter Road, Derby	61,492	61,492
1, 3, 5, 7 Holmes Street, Derby	47,082	47,082
106 Porter Road, Derby	133,321	133,321
Village Street, Derby	612,656	612,656
9 & 11 Holmes Street, Derby (Land Only)	85,585	85,585
5, 6, 7 & 8 Whitaker Street Derby (Land only)	69,094	69,094
	<u>5,056,998</u>	<u>5,056,998</u>

12 Debtors

	2021 £	2020 £
Prepayments	3,209	3,223
Other debtors	8,525	10,272
	<u>11,734</u>	<u>13,495</u>

Notes to the Financial Statements for the Year Ended 31 March 2021

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	4,567	3,193
Other creditors	32,597	39,566
Accruals	19,652	11,030
	56,816	53,789

14 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £6,215 (2020 - £4,757).

15 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General	(4,700,452)	(547,642)	479,410	(4,768,684)
Restricted funds	(454)	-	-	(454)
Total funds	(4,700,906)	(547,642)	479,410	(4,769,138)
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Unrestricted funds				
General	(4,586,230)	(646,793)	532,571	(4,700,452)
Restricted funds	(454)	-	-	(454)
Total funds	(4,586,684)	(646,793)	532,571	(4,700,906)

Notes to the Financial Statements for the Year Ended 31 March 2021

16 Analysis of net funds

	At 1 April 2020 £	Cash flow £	At 31 March 2021 £
Cash at bank and in hand	304,961	128,168	433,129
Net debt	304,961	128,168	433,129
	304,961	128,168	433,129
	At 1 April 2019 £	Cash flow £	At 31 March 2020 £
Cash at bank and in hand	207,014	97,947	304,961
Net debt	207,014	97,947	304,961
	207,014	97,947	304,961

17 Related party transactions

There were no related party transactions in the year.

Statement of Financial Activities by fund for the Year Ended 31 March 2021

	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income and Endowments from:		
Donations and legacies	361,558	489,145
Charitable activities	40,300	147,376
Other income	145,784	10,272
Total income	<u>547,642</u>	<u>646,793</u>
Expenditure on:		
Charitable activities	(4,696)	(9,146)
Other expenditure	(474,714)	(523,425)
Total expenditure	<u>(479,410)</u>	<u>(532,571)</u>
Net income	<u>68,232</u>	<u>114,222</u>
Net movement in funds	68,232	114,222
Reconciliation of funds		
Total funds brought forward	<u>4,700,452</u>	<u>4,586,230</u>
Total funds carried forward	<u><u>4,768,684</u></u>	<u><u>4,700,452</u></u>

Statement of Financial Activities by fund for the Year Ended 31 March 2021

	Total Restricted funds 2021 £	Restricted funds 2020 £
Income and Endowments from:		
Expenditure on:		
Net income/(expenditure)	-	-
Reconciliation of funds		
Total funds brought forward	<u>454</u>	<u>454</u>
Total funds carried forward	<u>454</u>	<u>454</u>

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	Total 2021 £	Total 2020 £
Income and Endowments from:		
Donations and legacies (analysed below)	361,558	489,145
Charitable activities (analysed below)	40,300	147,376
Other income (analysed below)	145,784	10,272
Total income	<u>547,642</u>	<u>646,793</u>
Expenditure on:		
Charitable activities (analysed below)	(4,696)	(9,146)
Other expenditure (analysed below)	(474,714)	(523,425)
Total expenditure	<u>(479,410)</u>	<u>(532,571)</u>
Net income	<u>68,232</u>	<u>114,222</u>
Net movement in funds	68,232	114,222
Reconciliation of funds		
Total funds brought forward	<u>4,700,906</u>	<u>4,586,684</u>
Total funds carried forward	<u><u>4,769,138</u></u>	<u><u>4,700,906</u></u>

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	Total 2021 £	Total 2020 £
<i>Donations and legacies</i>		
Appeals and donations	361,558	489,145
	361,558	489,145
<i>Charitable activities</i>		
Primary purpose trading	40,300	147,376
	40,300	147,376
<i>Other income</i>		
UK Government grants	145,784	7,122
Other income	-	3,150
	145,784	10,272
<i>Charitable activities</i>		
Materials	(1,136)	(5,186)
Bank charges	(60)	(60)
The audit of the charity's annual accounts	(3,500)	(3,900)
	(4,696)	(9,146)
<i>Other expenditure</i>		
Wages and salaries	(297,281)	(338,576)
Staff NIC (Employers)	(5,410)	(8,765)
Staff pensions (Defined contribution) - pension scheme 1	(6,215)	(4,757)
Rates	(592)	(1,170)
Water rates	(4,942)	(3,170)
Light, heat and power	(27,387)	(43,433)
Insurance	(5,001)	(5,226)
Repairs and renewals	(59,347)	(52,216)
Telephone and fax	(699)	(734)
Computer software and maintenance costs	(230)	-
Printing, postage and stationery	(4,300)	(7,287)
Cleaning	(1,432)	(162)
Legal and professional fees	(6,145)	(2,257)
Depreciation of freehold property	(49,023)	(49,023)
Depreciation of fixtures and fittings	(6,710)	(6,649)
	(474,714)	(523,425)