Company Number 7051721

Registered Charity Number 1135681

MADAD

(A company limited by guarantee)

Report of the Trustees and Financial Statements

31 December 2017

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MADAD

CONTENTS

	Page
Legal and administrative information	1
Report of the Trustees	2-6
Report of the Auditors	7-8
Statement of financial activities	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12-16

MADAD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees and Directors	Salimah Currimbhoy Liakat Hasham (Chairman) Dr. Farhad Mawani Arif Pradhan
Company Secretary	Dr. Farhad Mawani
Registered office	331 East Lane Wembley Middlesex HA0 3LB
Company number	7051721
Charity number	1135681
Auditors	Fairman Harris Chartered Accountants Third Floor North 224-236 Walworth Road London SE17 1JE
Bankers	Lloyds Bank Plc Covent Garden Branch 22/24 Southampton Street London WC2E 7JB
Solicitors	Stone King Sewell 16 St John's Lane London EC1M 4BS

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees present the financial statements of Madad for the year ended 31 December 2017. The Trustees are also directors for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal status and Governing document

The company is a charitable company limited by guarantee, incorporated in England & Wales on 21 October 2009 and registered as a charity on 27 April 2010. The objects and powers of the company were established in its Memorandum of Association and are governed by its Articles of Association. The charity commenced operations on the date of incorporation. The directors of the charitable company (the charity) are its trustees for the purposes of the charity law and throughout this report are collectively referred to as the Trustees.

Appointment

The Trustees who held office during the financial year and at the date of this report are set out on page 1. The Trustees are appointed in accordance with the rules set out in the Articles of Association.

Induction and Training

New trustees undergo orientation to brief them on their legal obligation under charity and company law, the content of the Memorandum and Articles of Association, the decision making processes, the objectives and strategies and recent financial performance of Madad. There were no new trustees appointed during 2017.

Organisation

The Board of Trustees is responsible for the overall strategy and direction of the charity and meet at least twice a year. The Trustees give their time on a voluntary and unpaid basis.

The Board of Trustees has also appointed an executive committee to support them in the management of Madad's operations.

The Executive Committee is responsible for the day to day management of Jubilee Court, a multigenerational housing development, and reports to the trustees.

The Executive Committee comprises staff and volunteers, whose skills and experience in property management and social welfare work have helped Madad to significantly further its objectives.

The Executive Committee meets regularly.

Risk Management

The Trustees have examined the principal areas of Madad's operations and have considered the major risks that could arise in these areas. In the opinion of the Trustees, Madad has appropriate procedures in place, which provide reasonable assurance that the risks identified by them are mitigated to an acceptable level. Major risks, for this purpose, are those that may have a significant effect on:

- Quality and suitability of programmes;
- Achievement of the programme's aims and objectives;
- Availability of competent volunteers to manage the programmes;
- Availability of funding for the programmes.

Interest of Board of Trustees

No member of the Trustees had, at any time during the year, any interests in Madad which require to be disclosed in this report.

OBJECTIVES, AIMS AND PRINCIPAL ACTIVITIES

Madad's objectives as set out in its Statutes are:

a) To provide reasonable assistance in the securing of accommodation for those persons (and their dependents living with them) in the Shia Imami Ismaili Muslim community (the 'Community') who have need of such accommodation by reason of financial hardship or social or economic need, their age, ill-health or disability, or other need, deprivation or disadvantage;

b) To advance education and to provide facilities in the interests of social welfare for recreation or other leisure time occupation with the objective of improving the conditions of life of people in the Community;

c) To advance the Shia Imami Ismaili Muslim faith.

Due regard has been given to the public benefit guidance as defined by the Charities Commission, and Madad's activities take into account the Commission's public benefit criteria. The key areas of activity to achieve the above objectives, aims and activities are:

- The operation of a multi-generational housing facility to provide housing for the most vulnerable and isolated members of the Community.
- The provision of social, educational and cultural programmes to residents of the facility, as well as other elderly members of the Community, enhancing their physical, mental, emotional and spiritual well-being.

The above objectives, aims and activities are achieved by mobilising resources including rents, grants, contributions and donations in kind as well as human resources and expertise through collaboration with partner organisations, expert professionals and volunteers.

ACHIEVEMENTS AND PERFORMANCE

During the year to 31 December 2017, Madad has continued to run Jubilee Court, a property consisting of 29 self- contained apartments. During the year, a number of vacancies arose which were subsequently filled.

In addition to housing, a key aspect of the project is the provision of purposeful activities including recreational activities which are essential to the wellbeing of the elderly. Programmes have been developed to provide a mix of social, educational and cultural activities which reflect the need for security, health and social support, spiritual reflection, productivity of time and companionship. These include sessions on keeping fit, library service, lectures on areas of interest as well as social events such as lunches, afternoon tea and musical entertainment. Jubilee Court has spaces for communal gatherings and social activities as well as a secluded garden which enables the delivery of these programmes. These are sponsored by Madad and delivered by members of staff and volunteers from the Community.

The provision of a combination of accommodation and programmes gives the residents of Jubilee Court an opportunity to live independently in a comfortable and enabling environment within a vibrant community which is aimed at enhancing their quality of life. Members of the executive management committee regulary meet the residents. Trustees also meet some of the residents at events held during the year. The feedback provided indicates a high level of satisfaction. Where areas of improvement were suggested, these have been followed up by management.

FINANCIAL REVIEW

The book values of the assets held at the year-end are, in the opinion of the Board of Trustees, as stated in the financial statements. Also, in its opinion, adequate assets are available to fulfil the obligations of Madad.

A summary of the result of Madad's activities during the year is given in the Statement of Financial Activities on page 9.

Total income from donations amounted to £15,579 (2016: £15,102). Further operating income, primarily from rental of the flats at Jubilee Court, amounted to £315,549 (2016: £311,342).

Expenses incurred during the year to 31 December 2017 primarily relate to the costs of running Jubilee Court and financing costs for the loans Madad has secured and used to acquire and refurbish Jubilee Court. Loans outstanding as at 31 December 2017 amounted to £2,594,078 (2016: £2,699,211).

The governance costs were made up of audit fees and legal and professional expenses. The governance costs are approved by the Trustees.

The total funds at 31 December 2017 were £831,868 (2016: £770,721), all of which were unrestricted funds.

RESERVES POLICY

Madad maintains unrestricted funds, which are the free reserves of the charity, at a level that is at least twelve months of committed expenditure, excluding financing and other costs covered by committed rental income streams. Excess unrestricted funds, to the extent represented by liquid assets, will be used to repay borrowings except where the Trustees consider that the funds should be retained for possible future projects.

INVESTMENT POLICY

The Trustees have the power to invest in such assets as they see fit. Madad's investment policy is appropriate to the nature of the funds for which the investment is held. The primary investment aim is to provide a high degree of security and liquidity and to maximise returns whilst adopting a conservative approach.

GRANT-MAKING POLICY

The Trustees consider making grants as an effective means of delivering support and assistance to other programmes that fit within the objectives of Madad. The Jubilee Court property also serves as a day-care / community centre for other elderly Ismailis in the area, and has the potential to provide respite care. The multi-generational housing facility is an outward-looking initiative and seeks to become a positive community hub. The facility leverages external services and supports, and forms important linkages with other organisations serving seniors, whose services are accessible through the facility.

PLANS FOR THE FUTURE

It is an important aspect of the Jubilee Court project that the project provides needy members of the Community with good quality housing and purposeful activities. Recreational activities are essential to the well being of any individual and in particular to the elderly and disabled. For many in these circumstances, time moves slowly and as loved ones concentrate on their own lives, it can and may lead to a feeling of isolation. Group activities are one way of dealing with this isolation and giving the individual a sense of belonging and achieving.

The emphasis on Life Long Learning will continue to be a focus, within the parameter of stimulus for updating skills and encouraging mental engagement.

Every facility and encouragement is given to the residents for the practice of their faith. Facilities are in place for the residents to attend an Ismaili place of worship regularly and participate in religious observances.

Madad plans to continue at it's current level of activity, while constantly endeavouring to improve the quality of services offered to the residents at Jubilee Court.

VOLUNTEERS

Volunteers are central to the ethos and operations of Madad. They donate their time and expertise to implement programmes, raise funds and to provide other services. Madad is very grateful for this generosity. The financial value of this generosity has neither been calculated nor included in the financial statements because it is difficult to quantify these in monetary terms.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017 - continued

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the directors, who are referred to here as 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 at the year end of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements;
- 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, 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission (i.e. public benefit statement). The report is prepared in accordance with the small company regime (Section 419(2) of the Companies Act 2006).

AUDITORS

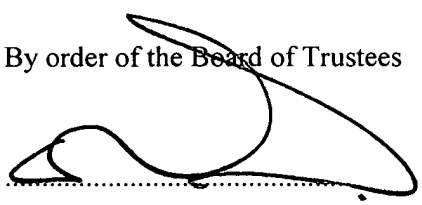
Fairman Harris were initially appointed as auditors of the charity by the Trustees. In accordance with section 487 of the Companies Act 2006, a resolution that Fairman Harris be reappointed as auditors of the charity will be put to the Board of Trustees.

STATEMENT OF DISCLOSURES TO AUDITOR

a) So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and

b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board of Trustees



Liakat Hasham
Chairman
Date: 8th Day of August 2018

INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

We have audited the financial statements on pages 9 to 16 for the year ended 31 December 2017 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011. 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 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors
The Trustees, who are also the directors, have responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. These are set out in the Statement of Trustees' Responsibilities in the Report of the Trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Companies Act 2006 and in accordance with the Charities Act 2011.
We also report to you whether in our opinion, the information given in the Trustees' Report is consistent with the financial statements. In addition we report to you if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

We read the other information contained in the Report of the Trustees, and consider whether it is consistent with the audited financial statements. We consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, 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 2015), of the state of the charity's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006 and the Charities Act 2011; and the information given in the Trustees' Report is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

FAHREEN MEGHANI FCA
(Senior Statutory Auditor)
Fairman Harris
Chartered Accountants and Registered Auditors
Date: ...11... Day of ..Sept...2018

Third Floor North
224-236 Walworth Road
London
SE17 1JE

MADAD

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
INCOMING RESOURCES					
Income and endowments from:					
Donations and legacies					
Donations and gift aid	4	15,579	-	15,579	15,102
Charitable activities					
Rental income		312,820	-	312,820	293,592
Other income					
Miscellaneous income		2,729	-	2,729	17,750
Interest receivable		838	-	838	1,186
Total income		331,966	-	331,966	327,630
RESOURCES EXPENDED					
Expenditure on:					
Charitable activities:					
(Costs of activities in furtherance of the objects of the charity)					
Administrative expenses		141,766	-	141,766	121,447
Governance costs	5	16,133	-	16,133	4,507
Financing costs		72,057	-	72,057	77,241
Depreciation		40,863	-	40,863	45,516
Total expenditure		270,819	-	270,819	248,711
Net movement in funds for the year		61,147	-	61,147	78,919
Balance brought forward		770,721	-	770,721	691,802
Total Funds as at 31 December 2017		831,868	-	831,868	770,721

All of the above results are derived from continuing activities. All gains and losses recognised in recognised in the year are included in the above.

The notes on pages 12 to 16 form part of these financial statements.

MADAD

STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	7		3,084,335		3,125,198
Current assets					
Debtors	8	16,454		17,549	
Cash at bank and in hand		363,840		358,959	
		380,294		376,508	
Creditors: amounts falling due within one year	10	(81,223)		(76,214)	
Net current assets			299,071		300,294
			3,383,406		3,425,492
Creditors: amounts falling due after more than one year	11		(2,551,538)		(2,654,771)
Net assets			831,868		770,721
FUNDS					
Unrestricted	15		831,868		770,721
Total funds			831,868		770,721

NOTES

Approval

The financial statements on pages 9 to 16 were approved by the Board of Trustees on the 15th Day of August 2018 and were signed on its behalf by:

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Liakat Hasham
Trustee

MADAD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 Total £	2016 Total £
Net cash (outflow)/inflow from operating activities	14	141,890	150,006
Returns on investments and servicing of finance			
Interest received		838	1,186
Interest paid		(32,714)	(38,134)
Net repayments of amounts borrowed		(105,133)	(456,001)
Cash from investment activities			
Purchase of fixed assets		-	(9,949)
Cash flows from financing activities			
Net Proceeds from bank borrowings		-	-
Proceeds from other loans		-	-
Net (Decrease) / Increase in cash in the period	9	4,881	(352,892)
Cash at bank and in hand at 1 January		358,959	711,851
Net cash resources at 31 December		363,840	358,959

The notes on pages 12 to 16 form part of these financial statements.

General information

Madad is a company limited by guarantee, incorporated in England and Wales. Its registered office is 331 East Lane, Wembley, Middlesex, HA0 3LB.

1. **Principal accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Statement of compliance

The financial statements of Madad have been prepared in accordance with Financial Reporting Standard FRS 102 and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

The financial statements have been prepared under historical cost convention and 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 2015) and the Companies Act 2016.

Madad 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 note(s)

Fund structure

General funds are unrestricted funds 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.

Restricted funds account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Property, plant and equipment

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets, from the dates they are brought into use, at rates calculated to write off over their expected useful:

Freehold property (Buildings)	1%	Straight Line
Plant and machinery	20%	Straight Line
Motor vehicles	20%	Reducing Balance Method
Furniture and fixtures	20%	Reducing Balance Method
Office and other equipment	33.3%	Straight Line

Income

Voluntary income comprising donations provides funding and is of a general nature. This is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Rental income is recognised on a receivable basis.

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contributions made by volunteers can be found in the Trustees' Report.

Expenditure

Expenditure is recognised on an accruals basis as liability is incurred.
Charitable income and expenditure is allocated to the respective activities and any shortfall is funded from unrestricted funds.

Direct costs comprise those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and legal requirements of the charity.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

2. **Key management personnel compensation**

No emoluments were paid to the Trustees. The Trustees did not claim, nor receive, reimbursement of expenses incurred by them in the course of their duties.

3. **Employee information**

The average number of employees for the year to 31 December 2017 was 2 (2016: 2).

4. **Voluntary income**

	Unrestricted funds	Restricted funds	2017 Total	2016 Total
	£	£	£	£
Donations	15,579	-	15,579	15,102
	15,579	-	15,579	15,102

5. Governance costs

The governance costs of the charity consisted of the following costs:

	Unrestricted funds	2017 Total	2016 Total
	£	£	£
Audit fees	3,000	**3,000**	3,000
Legal and professional	13,133	**13,133**	1,507
	16,133	**16,133**	4,507

6. Net income (expenditure)

The net incoming resources are stated after charging the following costs:

	Unrestricted funds	2017 Total	2016 Total
	£	£	£
Auditors' remuneration	3,000	**3,000**	3,000

7. Property, plant and equipment

All assets are held for charitable purposes

	Freehold property	Motor vehicles	Plant fixtures & equipment	2017 Total	2016 Total
Cost	£	£	£	£	£
At 01/01/2017	3,157,435	129,700	241,019	**3,528,154**	3,518,205
Additions	-	-	-	-	9,949
At 31/12/2017	3,157,435	129,700	241,019	**3,528,154**	3,528,154
Depreciation					
At 01/01/2017	125,790	98,293	178,873	**402,956**	357,440
Charge for the year	20,965	6,283	13,615	**40,863**	45,516
At 31/12/2017	146,755	104,576	192,488	**443,819**	402,956
Carrying amount					
At 31/12/2017	3,010,680	25,124	48,531	**3,084,335**	3,125,198
At 31/12/2016	3,031,645	31,407	62,146	**3,125,198**	3,160,765

8. **Debtors**

	2017	2016
	£	£
Trade receivables	14,020	14,949
Prepayments and accrued income	2,185	2,600
Other receivables	249	-
	16,454	17,549

9. **Cash and cash equivalents**

	2017	2016
	£	£
Net cash (outflow)/inflow during the period	4,881	(352,892)
	4,881	(352,892)

10. **Creditors: amounts falling due within 1 year**

	2017	2016
	£	£
Accruals	15,374	9,899
Bank loan due within 1 year	42,540	44,440
Other payables	23,309	21,875
	81,223	76,214

11. **Creditors: amounts falling due after more than 1 year**

	2017	2016
	£	£
Bank loan	975,288	1,117,521
Other loans	1,576,250	1,537,250
	2,551,538	2,654,771

12. **Bank Loan**

	2017	2016
	£	£
Creditors include:		
Amounts falling due for payment after more than five years	805,128	939,761
Secured bank loans	1,017,828	1,161,961

The bank loan is secured by first legal charge over residential freehold property known as 327,329 & 331 East Lane Wembley Middlesex HA0 3LB and also with an unlimited fixed and floating debenture charge.

13. **Taxation**

The company is a registered charity and is not liable to corporation tax on its charitable activities. Gift aid donations for which declarations have been received from the respective donors confirming that the given donation be treated as Gift Aid donation are reclaimed by the company ("the Charity").

14. **Reconciliation of net movement in resources to net cash flow from operating activities.**

	2017	2016
	£	£
Operating profit	93,023	115,867
Depreciation on tangible assets	40,863	45,516
Decrease (increase) in debtors	1,095	400
Increase (decrease) in creditors	6,909	(11,777)
Net cash inflow/(outflow) from operating activities	141,890	150,006

15. **Reconciliation of funds**

	Balances at	Movement in Resources		Balances at
	01/01/2017	Incoming	Outgoing	31/12/2017
Donations:	£	£	£	£
Unrestricted funds	770,721	331,966	(270,819)	831,868
Restricted funds	-	-	-	-
	770,721	331,966	(270,819)	831,868

	2017	2016
Represented by:	£	£
Fixed Assets	3,084,335	3,125,198
Current Assets	380,294	376,508
Liabilities	(2,632,761)	(2,730,985)
	831,868	770,721

16. **Related party transactions**

There were no transactions with related parties during the year under review.

17 **Events after the end or the reporting period**

The bank loan with Lloyds Plc was repaid in the sum of £200,000 on 19 April 2018. The loan balance then stood at £803,557 immediately after the repayment.