

Luton Islamic Centre

Unaudited Financial Statements

5 April 2023

Luton Islamic Centre

Financial Statements

Year ended 5 April 2023

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Luton Islamic Centre

Trustees' Annual Report

Year ended 5 April 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 5 April 2023.

Reference and administrative details

Registered charity name	Luton Islamic Centre
Charity registration number	1042630
Principal office	116 Bury Park Road Luton Bedfordshire LU1 1HE

The trustees

Dr Farasat Latif
Mr Bassam Ali Khalil Abu Haj
Dr Mohammad Sayeid Al-Jamee

Independent examiner	Durrani & Co 72 Cardigan Street Luton Bedfordshire LU1 1RR
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Structure, governance and management

The constitution provides for a minimum of three trustees. Where there is a requirement for new trustees, these would be identified and appointed by the remaining trustees, subject to the approval by AGM. The chair of the trustees is responsible for the induction of any new trustee which involves awareness of a trustee's responsibility, the governing document, administrative procedures, the history and philosophical approach of the charity. The trustees have taken steps to identify major risks to which the charity is exposed and systems have been established to mitigate those risks.

Objectives and activities

On constitution, the Charity's objective was to educate members and non-members of the Islamic faith to bring about the cohesion and togetherness of the local Luton community. The charity began with an initial donation. Both the initial donation and subsequent donations since have been under the terms which allow the trustees to either retain the amounts as capital or to spend them.

The objectives of the charity include;

- a) The advancement of education in Islamic culture, art and history
- b) The advancement of the Islamic faith
- c) The relief of need hardship or distress amongst women by the provision of a resource centre.

Provision of a mosque, which is accessible for the five daily prayers, 365 days per year, for men and women. Delivery of Friday sermon in English. Three classes per week, available free of charge, on various aspects of the Muslims religion. Annual conference - with international scholars in attendance. Free literature distributed to non-Muslims about Islam.

Luton Islamic Centre

Trustees' Annual Report *(continued)*

Year ended 5 April 2023

Achievements and performance

Regular classes and seminars continued throughout the year that were attended by both men and women. We have continued to work closely with local mosques, the local council and the police to ensure community cohesion.

Financial review

The net incoming resources for the year was a gain of £47,730. At the end of the financial year the reserves were £500,682 of unrestricted funds and £13,333 of restricted funds.

The adequacy of the reserves policy is reviewed annually. The trustees are satisfied that reserves are presently more than adequate to meet future expenditure.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the charity, the results of these operations or the state of affairs of the charity in the financial year subsequent to the financial year ended 5th April 2023.

Plans for future periods

The trustees intend to continue to provide relief in a similar capacity as before.

The trustees' annual report was approved on 11 October 2023 and signed on behalf of the board of trustees by:

Dr Farasat Latif
Trustee

Luton Islamic Centre

Independent Examiner's Report to the Trustees of Luton Islamic Centre

Year ended 5 April 2023

I report to the trustees on my examination of the financial statements of Luton Islamic Centre ('the charity') for the year ended 5 April 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Durrani & Co
Independent Examiner

72 Cardigan Street
Luton
Bedfordshire
LU1 1RR

Luton Islamic Centre

Statement of Financial Activities

Year ended 5 April 2023

			2023		2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	175,366	10,608	185,974	155,905
Investment income	5	11,700	–	11,700	11,310
Total income		<u>187,066</u>	<u>10,608</u>	<u>197,674</u>	<u>167,215</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	6	31,148	–	31,148	–
Expenditure on charitable activities	7,8	109,514	9,282	118,796	132,617
Total expenditure		<u>140,662</u>	<u>9,282</u>	<u>149,944</u>	<u>132,617</u>
Net income and net movement in funds		<u>46,404</u>	<u>1,326</u>	<u>47,730</u>	<u>34,598</u>
Reconciliation of funds					
Total funds brought forward		454,278	12,007	466,285	431,687
Total funds carried forward		<u>500,682</u>	<u>13,333</u>	<u>514,015</u>	<u>466,285</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 6 to 12 form part of these financial statements.

Luton Islamic Centre

Statement of Financial Position

5 April 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	13	207,230	209,889
Current assets			
Debtors	14	8,565	6,000
Cash at bank and in hand		299,780	251,772
		308,345	257,772
Creditors: amounts falling due within one year	15	1,560	1,376
Net current assets		306,785	256,396
Total assets less current liabilities		514,015	466,285
Net assets		514,015	466,285
Funds of the charity			
Restricted funds		13,333	12,007
Unrestricted funds		500,682	454,278
Total charity funds	16	514,015	466,285

These financial statements were approved by the board of trustees and authorised for issue on 11 October 2023, and are signed on behalf of the board by:

Dr Farasat Latif
Trustee

The notes on pages 6 to 12 form part of these financial statements.

Luton Islamic Centre

Notes to the Financial Statements

Year ended 5 April 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 116 Bury Park Road, Luton, Bedfordshire, LU1 1HE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of (enter name of group financial statements) which can be obtained from (enter detail). As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Luton Islamic Centre

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Luton Islamic Centre

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations type 1	175,366	10,608	185,974
Grants			
Grants receivable type 1	—	—	—
	<u>175,366</u>	<u>10,608</u>	<u>185,974</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations type 1	136,850	11,296	148,146
Grants			
Grants receivable type 1	7,759	—	7,759
	<u>144,609</u>	<u>11,296</u>	<u>155,905</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Income from investment properties	<u>11,700</u>	<u>11,700</u>	<u>11,310</u>	<u>11,310</u>

Luton Islamic Centre

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

6. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies				
- Donations	31,148	31,148	—	—

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Activity type 1	(279)	9,282	9,003
Support costs	109,793	—	109,793
	109,514	9,282	118,796

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Activity type 1	22,462	750	23,212
Support costs	107,905	1,500	109,405
	130,367	2,250	132,617

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2023 £	Total fund 2022 £
Activity type 1	9,003	—	9,003	23,212
Governance costs	—	109,793	109,793	109,405
	9,003	109,793	118,796	132,617

9. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	3,959	4,625

10. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,445	1,125

11. Staff costs

Luton Islamic Centre

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

11. Staff costs *(continued)*

The average head count of employees during the year was 10 (2022: 11).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

12. Trustee remuneration and expenses

no remuneration or other benefits from employment with the charity or a related entity were received by the trustees; or

no trustee expenses have been incurred.

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 6 April 2022	191,392	36,032	227,424
Additions	—	1,300	1,300
At 5 April 2023	<u>191,392</u>	<u>37,332</u>	<u>228,724</u>
Depreciation			
At 6 April 2022	—	17,535	17,535
Charge for the year	—	3,959	3,959
At 5 April 2023	<u>—</u>	<u>21,494</u>	<u>21,494</u>
Carrying amount			
At 5 April 2023	<u>191,392</u>	<u>15,838</u>	<u>207,230</u>
At 5 April 2022	<u>191,392</u>	<u>18,497</u>	<u>209,889</u>

14. Debtors

	2023 £	2022 £
Trade debtors	2,565	—
Other debtors	6,000	6,000
	<u>8,565</u>	<u>6,000</u>

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	1,445	—
Social security and other taxes	115	251
Other creditors	—	1,125
	<u>1,560</u>	<u>1,376</u>

Luton Islamic Centre

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

16. Analysis of charitable funds

Unrestricted funds

	At 6 April 2022	Income	Expenditure	At 5 April 2023
	£	£	£	£
General funds	<u>454,278</u>	<u>187,066</u>	<u>(140,662)</u>	<u>500,682</u>

	At 6 April 2021	Income	Expenditure	At 5 April 2022
	£	£	£	£
General funds	<u>428,726</u>	<u>155,919</u>	<u>(130,367)</u>	<u>454,278</u>

Restricted funds

	At 6 April 2022	Income	Expenditure	At 5 April 2023
	£	£	£	£
Restricted Fund 1 - desc in a/cs	<u>12,007</u>	<u>10,608</u>	<u>(9,282)</u>	<u>13,333</u>

	At 6 April 2021	Income	Expenditure	At 5 April 2022
	£	£	£	£
Restricted Fund 1 - desc in a/cs	<u>2,961</u>	<u>11,296</u>	<u>(2,250)</u>	<u>12,007</u>

17. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2023
	£	£
Tangible fixed assets	207,229	207,229
Current assets	308,345	308,345
Creditors less than 1 year	<u>(1,559)</u>	<u>(1,559)</u>
Net assets	<u>514,015</u>	<u>514,015</u>

	Unrestricted Funds	Total Funds 2022
	£	£
Tangible fixed assets	209,889	209,889
Current assets	257,772	257,772
Creditors less than 1 year	<u>(1,376)</u>	<u>(1,376)</u>
Net assets	<u>466,285</u>	<u>466,285</u>

18. Related parties

The Trustees of the charity had agreed to appoint Abdullah the son of Dr Mohammad Sayeid Al-Jamee (trustee) to serve as an Imam once a week.

Luton Islamic Centre

Management Information

Year ended 5 April 2023

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

Luton Islamic Centre

Detailed Statement of Financial Activities

Year ended 5 April 2023

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Donations type 1	185,974	148,146
Grants receivable type 1	—	7,759
	<u>185,974</u>	<u>155,905</u>
Investment income		
Income from investment properties	<u>11,700</u>	<u>11,310</u>
	<u>197,674</u>	<u>167,215</u>
Total income		
Expenditure		
Costs of raising donations and legacies		
Fundraising and events	<u>31,148</u>	<u>—</u>
Expenditure on charitable activities		
Charitable activities	9,003	23,212
Wages and salaries	62,623	57,255
Rent and rates	4,557	4,553
Repairs and maintenance	5,718	13,672
Insurance	4,696	4,636
Legal and professional fees	14,265	11,994
Telephone and computer	4,017	3,316
Depreciation	3,959	4,624
Printing, postage and stationery	1,372	2,685
Utilities	5,171	6,200
Bookkeeping and secretarial	1,860	470
Merchant fees	1,555	—
	<u>118,796</u>	<u>132,617</u>
Total expenditure	<u>149,944</u>	<u>132,617</u>
Net income	<u>47,730</u>	<u>34,598</u>

Luton Islamic Centre

Notes to the Detailed Statement of Financial Activities

Year ended 5 April 2023

	2023 £	2022 £
Costs of raising donations and legacies		
Costs of raising donations and legacies - Donations		
Donations - fundraising and events	31,148	—
	<u>31,148</u>	<u>—</u>
Costs of raising donations and legacies	<u>31,148</u>	<u>—</u>
Expenditure on charitable activities		
Activity type 1		
Activities undertaken directly		
Direct charitable activity 1 - charitable activities	9,003	23,212
Governance costs		
Governance costs - wages/salaries	62,623	57,255
Governance costs - rent and rates	4,557	4,553
Governance costs - repairs & maintenance	5,718	13,672
Governance costs - insurance	4,696	4,636
Governance costs - accountancy fees	1,445	1,125
Governance costs - legal and other professional fees	12,820	10,869
Governance costs - telephone and computer	4,017	3,316
Governance costs - depreciation	3,959	4,624
Governance costs - printing, postage and stationery	1,372	2,685
Governance costs - utilities	5,171	6,200
Governance costs - bookkeeping and secretarial	1,860	470
Governance costs - merchant fees	1,555	—
	<u>109,793</u>	<u>109,405</u>
Expenditure on charitable activities	<u>118,796</u>	<u>132,617</u>