

A Company limited by guarantee, Number 05137118

Registered Charity Number 1107723

Khidmat Centres

Annual Report and Financial Statements

For the year ended

31 March 2022

Khidmat Centres
Report and accounts
for the year ended 31 March 2022

Contents	Page
Charity and Company information	1
Statement of Directors'/Trustees' responsibilities	2
Independent Auditor's report	3-4
Statement of financial activities	5
Balance sheet	6
Notes to the accounts	7-10
Schedule to the Statement of Financial Activities	11-12

Khidmat Centres
Charity and Company Information

Trustees/Directors	Sher Azam MBE Youssoof Mohammed Sidat Liaqat Hussain Khadim Hussain Javed Ashraf
Secretary	Youssoof Mohammed Sidat
Auditors	Adam & Co Accountancy Limited Chartered Certified Accountants First Floor, 1 Edmund Street Bradford West Yorkshire BD5 0BH
Bankers	UBL Unit 4, Cheetham Hill Shop, Centre 40 Bury Old Road Manchester M8 5EL Lloyds Bank Blackheath London Blackheath London SE3 9LH
Registered office	36 Spencer Road Bradford West Yorkshrie BD7 2EU
Charity number	1107723 Registered as a charity on 20 January 2005
Company number	05137118 Incorporated in England & Wales on 25 May 2004

Khidmat Centres
Statement of Directors/ Trustees' Responsibilities
for the year ended 31 March 2022

The directors/ trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors/trustees to prepare accounts for each financial year. Under that law the directors/trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors/trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors/trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors/trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors/trustees are also responsible for the contents of the directors/trustees report, and the responsibility of the auditor in relation to the directors/trustees report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board of directors/trustees on

.....
Mr Sher Azam MBE
Director and Trustee

Khidmat Centres
Independent auditor's report
to the members of Khidmat Centres

We have audited the financial statements of Khidmat Centres for the year ended 31 March 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (FRS 102) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the report and accounts, other than the accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Khidmat Centres
Independent auditor's report
to the members of Khidmat Centres

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Mr S Munir FCCA
(Senior Statutory Auditor)
for and on behalf of
Adam & Co Accountancy Limited
Statutory Auditors

First Floor
1 Edmund Street
Bradford
West Yorkshire
BD5 0BH

Date:

Khidmat Centres
Statement of Financial Activities
for the year ended 31 March 2022

	Notes	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Income resources					
Income and resources from generated funds					
Total Grants, Legacies & Donations Received	1	397,642	-	397,642	326,732
Other incoming resources					
Other income		-	-	-	-
Bank interest		-	-	-	-
Total incoming resources		<u>397,642</u>	<u>-</u>	<u>397,642</u>	<u>326,732</u>
cost of generating funds					
Fundraising trading - cost of goods and other costs			-	-	-
Cost of charitable activities		391,062	-	391,062	304,684
Governance costs		1,550	-	1,550	1,435
Total resources expended		<u>392,612</u>	<u>-</u>	<u>392,612</u>	<u>306,119</u>
Net outgoing resources before transfers between funds		<u>5,030</u>	<u>-</u>	<u>5,030</u>	<u>20,613</u>
Gross transfers between funds		-	-	-	-
Net outgoing resources before Other recognised gains and losses		<u>5,030</u>	<u>-</u>	<u>5,030</u>	<u>20,613</u>
Other recognised gains and losses		-	-	-	-
Net movement in funds for the year		<u>5,030</u>	<u>-</u>	<u>5,030</u>	<u>20,613</u>
Net fixed assets carried forward	7	409,206	-	409,206	409,206
Net current assets carried forward	8 & 9	141,772	-	141,772	136,742
Total carried forward (including fixed assets)		<u>550,978</u>	<u>-</u>	<u>550,978</u>	<u>545,948</u>

The net movement in funds referred to above is the net incoming resources as defined in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales and is reconciled to the total funds as shown in the Balance Sheet as required by the said statement.

All activities derive from continuing operations.

Please see schedule to statement of financial activities for the analysis of income and expenditure.

The notes from page 9 form an integral part of these accounts.

Khidmat Centres
Balance sheet
as at 31 March 2022

	Notes	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Tangible assets					
Total fixed assets	7	<u>409,206</u>	<u>-</u>	<u>409,206</u>	<u>409,206</u>
Current assets					
Debtors and prepayments	8	61,098	-	61,098	3,445
Cash at bank and in hand		<u>116,578</u>	<u>-</u>	<u>116,578</u>	<u>139,328</u>
Total current assets		<u>177,676</u>	<u>-</u>	<u>177,676</u>	<u>142,773</u>
Current liabilities:					
amounts falling due within one year					
Creditors and accruals	9	<u>(35,904)</u>	<u>-</u>	<u>(35,904)</u>	<u>(6,031)</u>
Total current liabilities		<u>(35,904)</u>	<u>-</u>	<u>(35,904)</u>	<u>(6,031)</u>
Net current assets / (liabilities)		<u>141,772</u>	<u>-</u>	<u>141,772</u>	<u>136,742</u>
Total assets less current liabilities		<u>550,978</u>	<u>-</u>	<u>550,978</u>	<u>545,948</u>
Creditors: amounts falling due after one year		-	-	-	-
Net assets		<u>550,978</u>	<u>-</u>	<u>550,978</u>	<u>545,948</u>
Capital and reserves account					
Capital (fixed assets)		409,206	-	409,206	409,206
Restricted funds	10	-	-	-	32,620
Designated funds		-	-	-	-
Unrestricted funds	10	<u>141,772</u>	<u>-</u>	<u>141,772</u>	<u>104,122</u>
		<u>550,978</u>	<u>-</u>	<u>550,978</u>	<u>545,948</u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The financial statements were approved at a meeting of the trustees
and signed on their behalf by:

.....
Mr Sher Azam MBE

Date:

Khidmat Centres
Notes to the Accounts
for the year ended 31 March 2022

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 for Smaller Entities, and all other applicable accounting standards, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, (revised June 2008). The accounts have been drawn up in accordance with the provisions of the Charities Act 2011 and the Companies Act 2006, and include the results of the charity's operations which are described in the Director/ Trustees' Report, all of which are continuing.

Insofar as the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, (revised June 2008) requires compliance with specific Financial Reporting Standards. The specific Financial Reporting Standards 102 have been followed.

Advantage has been taken of Section 396(5) of The Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of the charity's operation and in order to comply with the requirements of the SORP.

The charity has taken advantage of the exemption from the requirement to produce a cash flow statement.

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared on a going concern basis, under the historical cost convention.

The charity is entirely dependent on continuing grant aid and as a consequence the going concern

Income

Donations and legacies are accounted for when received by the charity. Other income is accounted for on an accruals basis as far as is prudent to do so.

Grants

Revenue grants are recognised in the Statement of Financial Activities on receipt, subject to any required conditions being met or services being provided. Capital grants are recognised on receipt in the Statement of Financial Activities. This policy has been adopted to give a true and fair view as recommended by the SORP.

Taxation

As a registered charity the organisation benefits from rates relief and is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Depreciation

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	Nil %
Office equipment	20% straight line

Khidmat Centres
Notes to the Accounts
for the year ended 31 March 2022

1 Fund accounting

Funds held by the charity are either:

Unrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds

These are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

3 Surplus/ Deficit for the financial year

	2022	2021
	£	£
<u>This is stated after crediting:</u>		
Revenue turnover from ordinary activities	<u>397,642</u>	<u>326,732</u>
<u>and after charging:</u>		
Depreciation of owned fixed assets	-	-
Auditors' and accountants remuneration	<u>1,550</u>	<u>1,435</u>

4 Statement that no expenses were paid to trustees or connected persons.

No expenses were paid to trustees or persons connected with them.

5 Staff Costs and Emoluments

	2022	2021
	£	£
Gross Salaries	249,752	211,075
Employer's National Insurance	<u>12,640</u>	<u>12,780</u>
	<u>262,392</u>	<u>223,855</u>

There were no fees or other remuneration paid to the trustees.

There were no employees with emoluments in excess of £60,000 per annum.

Total number of staff full time and part time	<u>29</u>	<u>26</u>
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6 Trustees' remuneration

Neither the trustees nor any persons connected with them have received any remuneration, either in the current year or the prior year.

Khidmat Centres
Notes to the Accounts
for the year ended 31 March 2022

7 Tangible fixed assets

	Office Equipment £	Freehold Land and Buildings £	Total £
Asset cost, valuation or revalued amount			
At 1 April 2020	-	409,206	409,206
Additions	-	-	-
At 31 March 2021	-	409,206	409,206
Accumulated depreciation			
At 1 April 2020	-	-	-
Charge for the year	-	-	-
At 31 March 2021	-	-	-
Net book value			
At 31 March 2021	-	409,206	409,206
At 31 March 2020	-	409,206	409,206

This value is based on the buildings only because the land is owned by the local council. The trustees believe that the market value of the building is greater than cost and therefore have a policy of not to depreciate buildings.

IT Equipment and furniture are written off through the profit and loss 100% and therefore the charity does not include such items on the balance sheet.

8 Debtors

	2022 £	2021 £
Trade debtors and prepayments	51,941	3,445
Accrued income	9,157	-
	<u>61,098</u>	<u>3,445</u>

9 Creditors due within one year

	2022 £	2021 £
Trade creditors	11,856	1,869
Accrued expenses (accounts and audit)	1,550	1,435
Other creditors	22,498	2,727
	<u>35,904</u>	<u>6,031</u>

10 Analysis of the Net Movement in Funds

	2022 £	2021 £
Net movement in funds from Statement of Financial Activities	5,030	20,613
Net movement in funds available for current period	<u>5,030</u>	<u>20,613</u>
Fixed assets balance for the period	409,206	409,206
Current assets after current liabilities balance for the period	<u>141,772</u>	<u>136,742</u>
	<u>550,978</u>	<u>545,948</u>

Khidmat Centres
Notes to the Accounts
for the year ended 31 March 2022

11 Share Capital

The charity was incorporated under the Companies Act and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

12 Schedule to the Statement of Financial Activities

Please see next page for analysis of unrestricted and restricted income and expenditure. to comply with Charities Act 2011 and SORP.

13 Ultimate Control and Related Parties

The directors/ trustees are the ultimate controlling parties by virtue of charity's constitution. There were no related parties.

14 Going Concern

The directors/trustees expect the charity to continue trading for the next 12 months from the date of signing.

15 The registered office is located at:

36 Spencer Road
Bradford
BD7 2EU

16 The audit report is unqualified.

Senior statutory auditor:	Mr S Munir (FCCA)
Firm:	Adam & Co Accountancy Ltd

Khidmat Centres
Schedule to the Statement of Financial Activities
for the year ended 31 March 2022

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Prior Period Total Funds 2021 £
Income				
<u>Incoming Resources</u>				
Day Care	23,924	-	23,924	24,740
Halal Food Project	11,834	-	11,834	4,093
Grant	15,000	-	15,000	35,000
MWIP / Penny Appeal	45,884	-	45,884	10,880
MHA		-	-	7,030
QED	23,613		23,613	19,303
HF Trust		-	-	17,000
Learning Disability Project (LDP)	167,399		167,399	148,988
Lloyds Bank Foundation	33,664		33,664	33,004
Room / Hall Hire	64,710	-	64,710	10,746
Other income	11,614	-	11,614	15,948
Total Grants, Legacies & Donations Received	397,642	-	397,642	326,732
Expenditure				
<u>Direct support costs of charity</u>				
Gross wages and salaries	203,942		203,942	192,021
Employers' NI/ PAYE/ pension contributions	12,640		12,640	12,780
Travel, motoring and subsistence	6,134	-	6,134	4,238
Marketing, promotion of services	3,960	-	3,960	-
Total support costs of charity	226,676	-	226,676	209,039
<u>Management and administration costs</u>				
<u>Staff costs</u>				
Salaries - Administrative staff	45,810	-	45,810	19,054
Book-keeping and Administrative support	240	-	240	4,745
	46,050	-	46,050	23,799
<u>Other employee costs</u>				
Training and welfare	2,009	-	2,009	-
	2,009	-	2,009	-
<u>Premises Costs</u>				
Rates, water and service charges	4,383	-	4,383	2,352
Lettings		-	-	200
Insurance	10,958	-	10,958	8,574
Light and heat	23,079	-	23,079	20,296
Cleaning and waste services	2,704	-	2,704	1,061
Premises repairs and renewals	11,747	-	11,747	10,854
Security Costs		-	-	870
	52,871	-	52,871	44,207

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Khidmat Centres
Schedule to the Statement of Financial Activities
for the year ended 31 March 2022

General administrative expenses:

Telephone and internet	7,661	-	7,661	4,565
Stationery, printing and postage	5,088	-	5,088	5,586
Subscriptions	3,025	-	3,025	2,619
Equipment hire/ leasing	1,215	-	1,215	5,657
Computers and software	4,481	-	4,481	235
Bank charges	264	-	264	-
Sundry expenses	1,070	-	1,070	-
	<u>22,804</u>	<u>-</u>	<u>22,804</u>	<u>18,662</u>

Professional fees

Legal and solicitors fees	10,419	-	10,419	1,440
Consultancy fees	10,570	-	10,570	-
	<u>20,989</u>	<u>-</u>	<u>20,989</u>	<u>1,440</u>

Other support costs

Day care and LDP projects	19,663	-	19,663	7,537
Events	-	-	-	-
	<u>19,663</u>	<u>-</u>	<u>19,663</u>	<u>7,537</u>

Total administration costs of charity

	<u>164,386</u>	<u>-</u>	<u>164,386</u>	<u>95,645</u>
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Total Support costs

	<u>391,062</u>	<u>-</u>	<u>391,062</u>	<u>304,684</u>
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Governance costs, not direct management functions inherent in generating funds, service delivery and programme or project work

Auditors and accountants remuneration	1,550	-	1,550	1,435
Other governance costs	-	-	-	-
Total governance costs	<u>1,550</u>	<u>-</u>	<u>1,550</u>	<u>1,435</u>

Net Surplus/ (deficit) for the year

	<u>5,030</u>	<u>-</u>	<u>5,030</u>	<u>20,613</u>
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