

COMPANY REGISTRATION NUMBER: 06902369
CHARITY REGISTRATION NUMBER: 1146668

PURLEY ISLAMIC COMMUNITY CENTRE
Company Limited by Guarantee
Unaudited Financial Statements
31 May 2021

SALEEMI ASSOCIATES

Chartered accountants
Registered Auditors and Chartered Accountants
792 Wickham Road
Croydon CR0 8EA

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Financial Statements

Year ended 31 May 2021

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PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 May 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 May 2021.

Reference and administrative details

Registered charity name PURLEY ISLAMIC COMMUNITY CENTRE

Charity registration number 1146668

Company registration number 06902369

Principal office and registered office 63 Whytecliffe Road South
Purley
CR8 2AZ

The trustees

Mr Waqar Ahmed
Mr Akhtar Choudhry
Dr Mohammed Irfan (Resigned 9 December 2020)
Mr Hafeez Bux Daud Khan (Joined 22 February 2022)

Company secretary Mr Akhtar Choudhry

Independent examiner Saleemi Associates
Chartered Accountants and Registered Auditors
792 Wickham Road
Croydon CR0 8EA

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 May 2021

Structure, governance and management

Purley Islamic Community Centre is a company limited by guarantee (incorporated on 11 May 2009) and a registered charity in England (number 1146668, registered on 29 March 2012) governed by its Memorandum and Articles of Association.

Trustees of the Charity are nominated and appointed in accordance with the terms set out in the Articles of Association.

Objectives and activities

The objects of the charity are: -

- To uphold and preserve the religion of Islam in accordance with the tenets and doctrines of the Sunni and Hanafi school of thought
- To promote harmony and understanding between the Muslim community and other Faith communities
- To provide educational facilities for adults and children
- To establish and run a community center and a prayer facility in Purley in furtherance of the aforementioned objects
- To purchase land and property in furtherance of the above objectives
- To assist financially and / or otherwise members of the community in need
- To work in cooperation and to coordinate with other similar organisations
- To seek financial assistance from the community in furtherance of the above objectives

Achievements and performance:-

2020 – 2021 was a challenging year for the Masjid. After initially having to close the Masjid we re-opened but with limited capacity due to the Covid restrictions and social distancing rules imposed by the government. More volunteers were needed to run the Jumu'ah prayers which went from our regular 2 jamaats to 4 and a booking system was implemented. Madrasa went online and many of the lectures and other classes were halted. It was a challenge to keep the masjid operation and was only because of the hard work and efforts of the management and volunteers that we were able to do so. With the community being forced to stay home from school and work it was even important that the Masjid was seen as a symbol of hope. It was very sad to hear the news of people passing away day by day. The Iman, Shaykh Suliman Gani, was very busy as the Chaplain of St Georges Hospital as he has to attend many of the patients in hospital and also many funerals.

Financial review

Income for the year was £574,599 and expenses were £77,321. Gross income including income from interest and investments has increased from £316,646 in 2019 to £574,599. The increase in income is due to a higher level of donations.

The total expenditure increased slightly from £76,554 in 2020 to £77,321.

The charity has a reasonable unrestricted reserve balance of £346,334. This along with the anticipated collections on Friday gives it sufficient working capital for the next 12-18 months. The principal source of funds is through collections on Friday and Ramadhan and donations.

PURLEY ISLAMIC COMMUNITY CENTRE

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 May 2021

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on ..22/3/22..... and signed on behalf of the board of trustees by:



Mr Waqar Ahmed
Trustee



Mr Hafeez Bux Daud Khan
Trustee

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of PURLEY ISLAMIC COMMUNITY CENTRE *(continued)*

Year ended 31 May 2021

I report to the trustees on my examination of the financial statements of PURLEY ISLAMIC COMMUNITY CENTRE ('the charity') for the year ended 31 May 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Mohammad Saleemi
Chartered Accountant (ICAEW)
Saleemi Associates
792 Wickham Road
Croydon CR0 8EA

Date :

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 May 2021

			2021		2020
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	94,797	479,772	574,569	316,623
Investment income	6	30	—	30	23
Total income		<u>94,827</u>	<u>479,772</u>	<u>574,599</u>	<u>316,646</u>
Expenditure					
Expenditure on charitable activities	7,8	77,321	—	77,321	76,554
Total expenditure		<u>77,321</u>	<u>—</u>	<u>77,321</u>	<u>76,554</u>
Net income and net movement in funds		<u>17,506</u>	<u>479,772</u>	<u>497,278</u>	<u>240,092</u>
Reconciliation of funds					
Total funds brought forward		328,828	1,307,717	1,636,545	1,396,453
Total funds carried forward		<u>346,334</u>	<u>1,787,489</u>	<u>2,133,823</u>	<u>1,636,545</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 7 to 12 form part of these financial statements.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Statement of Financial Position

31 May 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	12	1,241,663	1,241,975
Current assets			
Debtors	13	28,212	32,441
Cash at bank and in hand		876,600	378,335
		<u>904,812</u>	<u>410,776</u>
Creditors: amounts falling due within one year	14	<u>12,652</u>	<u>16,206</u>
Net current assets		892,160	394,570
Total assets less current liabilities		<u>2,133,823</u>	<u>1,636,545</u>
Funds of the charity			
Restricted funds		1,787,489	1,551,488
Unrestricted funds		346,334	85,057
Total charity funds		<u>2,133,823</u>	<u>1,636,545</u>

For the year ending 31 May 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 22/3/22, and are signed on behalf of the board by:

Mr Waqar Ahmed
Trustee

Mr Hafeez Bux Daud Khan
Trustee

The notes on pages 7 to 12 form part of these financial statements.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 63 Whytecliffe Road South, Purley, CR8 2AZ.

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 Companies Act 2006.

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.

Fund accounting

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

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.

PURLEY ISLAMIC COMMUNITY CENTRE

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Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

- 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.

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

All fixed assets are initially recorded at cost.

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 & fittings	-	25% reducing balance
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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.

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.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The Charity is a registered in Companies House as Company limited by guarantee and has no share capital. Every member of the Charity undertakes to contribute such amount as may be required (not exceeding 10 (pounds)) to the Charity's assets if it should be wound up while he or she is a member or within a year after he or she ceases to be member, for payment of the Charity's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	94,797	479,772	574,569
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	72,852	243,771	316,623

6. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
HMRC interest receivable	30	30	23	23

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Expenditure on charitable activities	77,321	77,321	76,554	76,554

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2021 £	Total fund 2020 £
Expenditure on charitable activities	77,321	77,321	76,554

9. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	2,416	3,221

PURLEY ISLAMIC COMMUNITY CENTRE

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Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	22,730	20,471
Employer contributions to pension plans	634	656
	<u>23,364</u>	<u>21,127</u>

The average head count of employees during the year was 1 (2020: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of staff	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

11. Trustee remuneration and expenses

None of the trustee or management committee member were remunerated or paid any expenses.

12. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 June 2020	1,232,313	33,479	1,265,792
Additions	2,104	–	2,104
At 31 May 2021	<u>1,234,417</u>	<u>33,479</u>	<u>1,267,896</u>
Depreciation			
At 1 June 2020	–	23,817	23,817
Charge for the year	–	2,416	2,416
At 31 May 2021	<u>–</u>	<u>26,233</u>	<u>26,233</u>
Carrying amount			
At 31 May 2021	<u>1,234,417</u>	<u>7,246</u>	<u>1,241,663</u>
At 31 May 2020	<u>1,232,313</u>	<u>9,662</u>	<u>1,241,975</u>

13. Debtors

	2021	2020
	£	£
Other debtors	<u>28,212</u>	<u>32,441</u>

14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Other creditors	<u>12,652</u>	<u>16,206</u>

PURLEY ISLAMIC COMMUNITY CENTRE

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Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

15. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	7,246	1,234,417	1,241,663
Current assets	396,828	507,984	904,812
Creditors less than 1 year	(12,652)	—	(12,652)
Net assets	391,422	1,742,401	2,133,823

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	9,662	1,232,313	1,241,975
Current assets	91,601	319,175	410,776
Creditors less than 1 year	(16,206)	—	(16,206)
Net assets	85,057	1,551,488	1,636,545

16. Related parties

During the year the Charity was under the control of Trustees and Management Committee members as listed on page 1. None of the trustee or management committee member were remunerated or paid any expenses. However, they used the facilities offered by the Charity for performance of their religious duties like other members of the Muslim community.