

COMPANY REGISTRATION NUMBER: 06902369
CHARITY REGISTRATION NUMBER: 1146668

PURLEY ISLAMIC COMMUNITY CENTRE
Company Limited by Guarantee
Unaudited Financial Statements
31 May 2023

SALEEMI ASSOCIATES
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 2023

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PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

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

Year ended 31 May 2023

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 2023.

Reference and administrative details

Registered charity name PURLEY ISLAMIC COMMUNITY CENTRE

Charity registration number 1146668

Company registration number 06902369

Principal office and registered office 130 Brighton Road
Purley
CR8 4EX

The trustees Mr Waqar Ahmed
Mr Akhtar Choudhry
Mr Hafeez Bux Daud Khan

Company secretary Mr Akhtar Choudhry

Independent examiner Mohammad Saleemi Chartered Accountant (ICAEW)
Saleemi Associates
Registered Auditors and Chartered Accountants
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 2023

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 centre 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
- To make the building and operations as environmentally friendly as possible bearing in mind the cost benefit analysis

Achievements and performance

The year to 31 May 2023 was a year of continued progress on raising funds for the building of a new Purley Masjid at our original site and of continued and expanded activities at our temporary site. We continued our weekly collections from the community but also made a strong push to raise funds for the building of the new Purley Masjid which is reflected in the strong growth in our restricted income.

The demolition of our old premises completed in the year and the beginning of the new build was started.

We continued to provide the community with all our regular classes and services from the new temporary location.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

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

Year ended 31 May 2023

Financial review

Unrestricted Income for the year was £240,508 which is a 9% decline from the prior year but still a strong year given the change from our usual premises to a temporary location.

Restricted income, which can only be used for specific purposes which includes amongst others the building of the new masjid, rose strongly to £318,286 from £106,213 due to the generous contributions from the community.

Gross income including income endowments has increased to £558,794 from £370,969 in 2022 for reasons explained above.

Total expenses increased to £157,892 from £96,365 reflecting costs linked to the moving to new leased premises including the rent payable.

The increase in income in 2023 is due to fund raising activities linked to the building of the new masjid.

The charity has a reasonable unrestricted reserve balance. 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.

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 28th Feb 2024 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

Year ended 31 May 2023

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 2023.

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).

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 2023

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 : 28th Feb 2024

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 May 2023

		Unrestricted funds	2023 Restricted funds	Total funds	2022 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	179,956	318,286	498,242	333,839
Charitable activities	6	38,414	—	38,414	35,158
Other trading activities	7	22,138	—	22,138	1,972
Total income		<u>240,508</u>	<u>318,286</u>	<u>558,794</u>	<u>370,969</u>
Expenditure					
Expenditure on charitable activities	8,9	147,992	9,900	157,892	96,365
Total expenditure		<u>147,992</u>	<u>9,900</u>	<u>157,892</u>	<u>96,365</u>
Net income and net movement in funds		<u>92,516</u>	<u>308,386</u>	<u>400,902</u>	<u>274,604</u>
Reconciliation of funds					
Total funds brought forward		514,725	1,893,702	2,408,427	2,133,823
Total funds carried forward		<u>607,241</u>	<u>2,202,088</u>	<u>2,809,329</u>	<u>2,408,427</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 9 to 16 form part of these financial statements.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Statement of Financial Position

31 May 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	14	1,503,806	1,283,365
Current assets			
Debtors	15	—	26,596
Cash at bank and in hand		1,323,308	1,128,090
		<u>1,323,308</u>	<u>1,154,686</u>
Creditors: amounts falling due within one year	16	<u>17,785</u>	<u>29,624</u>
Net current assets		1,305,523	1,125,062
Total assets less current liabilities		2,809,329	2,408,427
Net assets		<u>2,809,329</u>	<u>2,408,427</u>
Funds of the charity			
Restricted funds		2,202,088	1,893,702
Unrestricted funds		<u>607,241</u>	<u>514,725</u>
Total charity funds		<u>2,809,329</u>	<u>2,408,427</u>

For the year ending 31 May 2023 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 28th Feb 2024, and are signed on behalf of the board by:

Mr Waqar Ahmed
Trustee

Mr Hafeez Bux Daud Khan
Trustee

The notes on pages 9 to 16 form part of these financial statements.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 May 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income	400,902	274,604
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	5,434	1,812
Accrued (income)/expenses	(11,839)	29,624
<i>Changes in:</i>		
Trade and other debtors	26,596	1,616
Trade and other creditors	—	(12,652)
Cash generated from operations	421,093	295,004
Net cash from operating activities	421,093	295,004
Cash flows from investing activities		
Purchase of tangible assets	(225,875)	(43,514)
Net cash used in investing activities	(225,875)	(43,514)
Net increase in cash and cash equivalents	195,218	251,490
Cash and cash equivalents at beginning of year	1,128,090	876,600
Cash and cash equivalents at end of year	1,323,308	1,128,090

The notes on pages 9 to 16 form part of these financial statements.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 May 2023

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 130 Brighton Road, Purley, CR8 4EX.

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.

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.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

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.

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.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

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.

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.

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations	172,767	318,286	491,053
Gift Aid	7,189	—	7,189
	<u>179,956</u>	<u>318,286</u>	<u>498,242</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	227,626	106,213	333,839
Gift Aid	—	—	—
	<u>227,626</u>	<u>106,213</u>	<u>333,839</u>

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Income from charitable activities and events	<u>38,414</u>	<u>38,414</u>	<u>35,158</u>	<u>35,158</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Rental income from sub-letting	<u>22,138</u>	<u>22,138</u>	<u>1,972</u>	<u>1,972</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Expenditure on charitable activities	145,565	9,900	155,465
Support costs	<u>2,427</u>	<u>—</u>	<u>2,427</u>
	<u>147,992</u>	<u>9,900</u>	<u>157,892</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Expenditure on charitable activities	94,365	—	94,365
Support costs	<u>2,000</u>	<u>—</u>	<u>2,000</u>
	<u>96,365</u>	<u>—</u>	<u>96,365</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Expenditure on charitable activities	155,465	—	155,465	94,365
Governance costs	<u>—</u>	<u>2,427</u>	<u>2,427</u>	<u>2,000</u>
	<u>155,465</u>	<u>2,427</u>	<u>157,892</u>	<u>96,365</u>

10. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>5,434</u>	<u>1,812</u>

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

11. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,000</u>	<u>2,000</u>

12. Staff costs

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

	2023 £	2022 £
Wages and salaries	22,441	21,516
Employer contributions to pension plans	<u>836</u>	<u>645</u>
	<u>23,277</u>	<u>22,161</u>

The average head count of employees during the year was 1 (2022:1). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of staff	<u>1</u>	<u>1</u>

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

13. Trustee remuneration and expenses

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

14. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 June 2022	1,277,931	33,479	1,311,410
Additions	<u>225,875</u>	<u>—</u>	<u>225,875</u>
At 31 May 2023	<u>1,503,806</u>	<u>33,479</u>	<u>1,537,285</u>
Depreciation			
At 1 June 2022	—	28,045	28,045
Charge for the year	<u>—</u>	<u>5,434</u>	<u>5,434</u>
At 31 May 2023	<u>—</u>	<u>33,479</u>	<u>33,479</u>
Carrying amount			
At 31 May 2023	<u>1,503,806</u>	<u>—</u>	<u>1,503,806</u>
At 31 May 2022	<u>1,277,931</u>	<u>5,434</u>	<u>1,283,365</u>

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

15. Debtors

	2023 £	2022 £
Other debtors	—	26,596

16. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	17,785	29,624

17. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £836 (2022: £645).

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	—	1,503,806	1,503,806
Current assets	620,026	703,282	1,323,308
Creditors less than 1 year	(17,785)	—	(17,785)
Net assets	602,241	2,207,088	2,809,329

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	5,434	1,277,931	1,283,365
Current assets	538,915	615,771	1,154,686
Creditors less than 1 year	(29,624)	—	(29,624)
Net assets	514,725	1,893,702	2,408,427

19. Analysis of changes in net debt

	At 1 Jun 2022 £	Cash flows £	At 31 May 2023 £
Cash at bank and in hand	1,128,090	195,218	1,323,308

PURLEY ISLAMIC COMMUNITY CENTRE

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

20. 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.