

COMPANY REGISTRATION NUMBER: 08166521

CHARITY REGISTRATION NUMBER: 1148610

DARUL IKHLAS
Company Limited by Guarantee
Unaudited Financial Statements
31 July 2021

K B M UK LIMITED
Chartered Certified Accountants
1 Concord Business Centre
Concord Road
London
UK
W3 0TJ

DARUL IKHLAS
Company Limited by Guarantee
Financial Statements
Year ended 31 July 2021

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DARUL IKHLAS

Company Limited by Guarantee

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

Year ended 31 July 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 July 2021.

Reference and administrative details

Registered charity name DARUL IKHLAS

Charity registration number 1148610

Company registration number 08166521

Principal office and registered office 11 Selsdon Road
London
NW2 7NG
England

The trustees

Mr A Zulfiqar
Mr I Daad
Mr M N Malik
Mr M I H Pirzada (Resigned 27 November 2020)
Mr B H Pirzada (Resigned 27 November 2020)

Independent examiner KBM UK LTD
1 Concord Business Centre
Concord Road
London
UK
W3 0TJ

DARUL IKHLAS

Company Limited by Guarantee

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

Year ended 31 July 2021

Structure, governance and management

Board of Trustees

The board of trustees is responsible to ensure that charity objectives are achieved and charitable activities are carried out in support of set objectives. They also monitor overall performance of charity management and to ensure charity resources are applied effectively.

Governance

Darul Ikhlas refers to the charity incorporated as a company limited by Guarantee in England and Wales, with a governing document known as the Memorandum and Articles of Association.

Management Responsibilities

The Annual Report and Financial Statements are prepared according to the relevant law and regulations and approved by the Company Directors.

The directors manages and keep accounting records, the records disclose our financial position with reasonable accuracy at any time and enable directors to ensure that the financial statements comply with the Companies Act 2006 and the charity Commission Statement of recommendation Practice (SORP) 2015.

Objectives and activities

We are committed to establishing a Mosque & Islamic cultural centre in Isleworth, London, insh'Allah. Activities include the five daily prayers, the weekly jumu'a prayer and annual 'Id celebrations, regular Islamic and Qur'anic classes for children of all ages, youth activities including sports and summer camps, adult projects and education programmes for men and women, and interfaith initiatives.

Achievements and performance

Darul Ikhlas has furthered its charitable objectives in the local community of Isleworth and the surrounding areas by arranging Friday prayers, Eid prayers, Taraweeh prayers, Madrassa for children and adults, Nikka solemnization and counselling.

Financial review

The Charity's activities during the year are described below:

Total collection from donations and grants from various sources was £52,140 out of which £46,140 was unrestricted and £6,000 restricted in nature.

The unrestricted and restricted expenditures were £45,172 and £6,000 respectively during the financial year.

DARUL IKHLAS

Company Limited by Guarantee

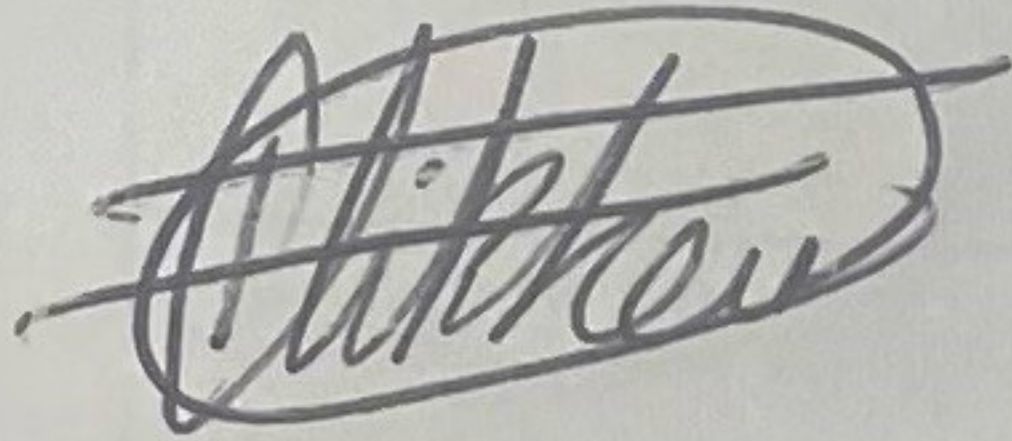
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 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 20 April 2022 and signed on behalf of the board of trustees by:



Mr I Daad
Trustee

DARUL IKHLAS

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of DARUL IKHLAS

Year ended 31 July 2021

I report to the trustees on my examination of the financial statements of DARUL IKHLAS ('the charity') for the year ended 31 July 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

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.

KBM UK LTD
Independent Examiner

1 Concord Business Centre
Concord Road
London
UK
W3 0TJ

DARUL IKHLAS

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 July 2021

			2021		2020
		Unrestricted	Restricted	Total funds	Total funds
	Note	funds	funds		
		£	£	£	£
Income and endowments					
Donations and legacies	5	38,412	6,000	44,412	46,574
Charitable activities	6	7,728	—	7,728	13,451
Total income		<u>46,140</u>	<u>6,000</u>	<u>52,140</u>	<u>60,025</u>
Expenditure					
Expenditure on charitable activities	7,8	60,173	6,000	66,173	53,988
Total expenditure		<u>60,173</u>	<u>6,000</u>	<u>66,173</u>	<u>53,988</u>
Net (expenditure)/income and net movement in funds		<u>(14,033)</u>	<u>—</u>	<u>(14,033)</u>	<u>6,037</u>
Reconciliation of funds					
Total funds brought forward		34,343	—	34,343	28,306
Total funds carried forward		<u>20,310</u>	<u>—</u>	<u>20,310</u>	<u>34,343</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 14 form part of these financial statements.

DARUL IKHLAS
Company Limited by Guarantee
Statement of Financial Position

31 July 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	13	1,366	385
Current assets			
Debtors			
Cash at bank and in hand	14	–	15,001
		<u>33,528</u>	<u>25,894</u>
		33,528	40,895
Creditors: amounts falling due within one year	15	14,584	6,937
Net current assets		<u>18,944</u>	<u>33,958</u>
Total assets less current liabilities		<u>20,310</u>	<u>34,343</u>
Net assets		<u>20,310</u>	<u>34,343</u>
Funds of the charity			
Unrestricted funds		20,310	34,343
Total charity funds	18	<u>20,310</u>	<u>34,343</u>

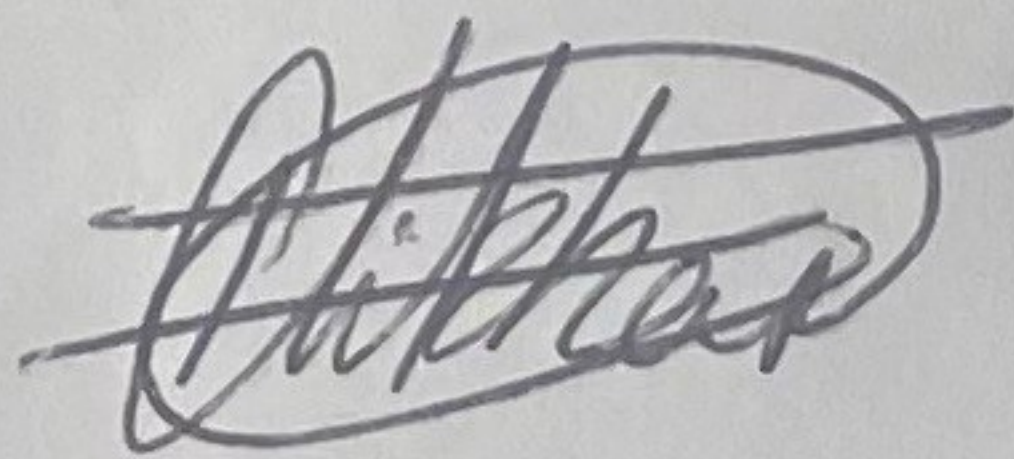
For the year ending 31 July 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 20 April 2022, and are signed on behalf of the board by:



Mr I Daad
Trustee

The notes on pages 7 to 14 form part of these financial statements.

DARUL IKHLAS
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 July 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 11 Selsdon Road, London, NW2 7NG, England.

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.

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.

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.

DARUL IKHLAS

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

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

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.

DARUL IKHLAS

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

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:

Equipment - 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.

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

DARUL IKHLAS

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations received	12,094	6,000	18,094
Grants			
Government grant income	26,318	—	26,318
	<u>38,412</u>	<u>6,000</u>	<u>44,412</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations received	32,107	5,045	37,152
Grants			
Government grant income	9,422	—	9,422
	<u>41,529</u>	<u>5,045</u>	<u>46,574</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Madrasa fee income	<u>7,728</u>	<u>7,728</u>	<u>13,451</u>	<u>13,451</u>

DARUL IKHLAS

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Charitable activities	22,559	6,000	28,559
Support costs	37,614	—	37,614
	<u>60,173</u>	<u>6,000</u>	<u>66,173</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	14,272	5,000	19,272
Support costs	34,671	45	34,716
	<u>48,943</u>	<u>5,045</u>	<u>53,988</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021 £	Total fund 2020 £
Charitable activities	28,559	—	28,559	19,272
Governance costs	—	37,614	37,614	34,716
	<u>28,559</u>	<u>37,614</u>	<u>66,173</u>	<u>53,988</u>

9. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>342</u>	<u>96</u>

10. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	100	100
Other financial services	<u>200</u>	<u>200</u>
	<u>300</u>	<u>300</u>

DARUL IKHLAS

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

11. Staff costs

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

	2021	2020
	£	£
Wages and salaries	35,137	35,922
Social security costs	—	181
Employer contributions to pension plans	1,019	985
	<u>36,156</u>	<u>37,088</u>

The average head count of employees during the year was 1 (2020: 4). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of staff - type 1	<u>1</u>	<u>4</u>

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

13. Tangible fixed assets

	Equipment £
Cost	
At 1 August 2020	1,260
Additions	1,323
At 31 July 2021	<u>2,583</u>
Depreciation	
At 1 August 2020	875
Charge for the year	342
At 31 July 2021	<u>1,217</u>
Carrying amount	
At 31 July 2021	<u>1,366</u>
At 31 July 2020	<u>385</u>

14. Debtors

	2021	2020
	£	£
Other debtors	<u>—</u>	<u>15,001</u>

DARUL IKHLAS

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	2,448	360
Social security and other taxes	12,136	6,577
	<u>14,584</u>	<u>6,937</u>

16. 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 £1,019 (2020: £985).

17. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>26,318</u>	<u>9,422</u>

18. Analysis of charitable funds

Unrestricted funds

	At 1 August 2020	Income	Expenditure	At 31 July 2021
	£	£	£	£
General funds	<u>34,343</u>	<u>46,140</u>	<u>(60,173)</u>	<u>20,310</u>

	At 1 August 2019	Income	Expenditure	At 31 July 2020
	£	£	£	£
General funds	<u>28,306</u>	<u>54,980</u>	<u>(48,943)</u>	<u>34,343</u>

DARUL IKHLAS

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

18. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 August 2020	Income	Expenditure	At 31 July 2021
	£	£	£	£
Restricted Fund 1 - desc in a/cs	—	<u>6,000</u>	<u>(6,000)</u>	<u>—</u>

	At 1 August 2019	Income	Expenditure	At 31 July 2020
	£	£	£	£
Restricted Fund 1 - desc in a/cs	—	<u>5,045</u>	<u>(5,045)</u>	<u>—</u>

DARUL IKHLAS
Company Limited by Guarantee
Management Information
Year ended 31 July 2021

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

DARUL IKHLAS

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 July 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Donations received	18,094	37,152
Government grant income	26,318	9,422
	<u>44,412</u>	<u>46,574</u>
Charitable activities		
Madrassa fee income	7,728	13,451
	<u>7,728</u>	<u>13,451</u>
Total income	<u>52,140</u>	<u>60,025</u>
Expenditure		
Expenditure on charitable activities		
Purchases	19,645	2,110
Wages and salaries	35,137	35,922
Employer's NIC	—	181
Pension costs	1,019	985
Rent	315	8,156
Legal and professional fees	804	580
Telephone	916	368
Other office costs	467	43
Depreciation	342	96
Other interest payable and similar charges	18	47
Donations	7,510	5,500
	<u>66,173</u>	<u>53,988</u>
Total expenditure	<u>66,173</u>	<u>53,988</u>
Net (expenditure)/income	<u>(14,033)</u>	<u>6,037</u>

DARUL IKHLAS

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 July 2021

	2021 £	2020 £
Expenditure on charitable activities		
Charitable activities		
<i>Activities undertaken directly</i>		
Direct charitable activity 1 - events expenses	19,645	2,110
Direct charitable activity 1 - casual wages/salaries	—	3,095
Direct charitable activity 1 - classroom/hall hire	315	8,156
Direct charitable activity 1 - telephone	916	368
Direct charitable activity 1 - other office costs	173	43
Direct charitable activity 1 - donations	7,510	5,500
	<u>28,559</u>	<u>19,272</u>
Governance costs		
Governance costs - wages/salaries	35,137	32,827
Governance costs - employer's NIC	—	181
Governance costs - pension costs	1,019	985
Governance costs - accountancy fees	804	580
Governance costs - other office costs	294	—
Governance costs - depreciation	342	96
Governance costs - other finance costs	18	47
	<u>37,614</u>	<u>34,716</u>
Expenditure on charitable activities	<u>66,173</u>	<u>53,988</u>
