

AL IHSAN TRUST SRI LANKA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

AL IHSAN TRUST SRI LANKA

LEGAL AND ADMINISTRATIVE INFORMATION

Board Of Trustees	Mr Nissther Annis Mr Jezri Mohideen Mr Mohamed Haris Zainulabdeen Mr Altaf Zahir Mr Ahamed Thabith Naja
Charity number	1152441
Principal address	5 Kensington Avenue Watford WD18 7RZ
Independent examiner	Reddy Siddiqui LLP 183-189 The Vale Acton London W3 7RW

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AL IHSAN TRUST SRI LANKA

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The board of trustees present their annual report and financial statements for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Objectives and activities

The charity's objects are to advance education and to relieve sickness and financial hardship, and to promote and preserve good health by the provision of funds, goods or services of any kind to Sri Lanka.

The board of trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The activities of the charity during the year included raising donations for orphan sponsorship, religious sacrifice (qurbani), ramadan food relief, education, healthcare and water hand pumps.

Achievements and performance

The charity was able to raise donations for the charitable causes it supports. The trustees consider the level of donations received to be in line with the expected levels for the year.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between one and three month's expenditure. The board of trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The board of trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity was established by a charitable trust deed on 17 June 2013.

The board of trustees who served during the year and up to the date of signature of the financial statements were:

Mr Nissther Annis

Mr Jezri Mohideen

Mr Mohamed Haris Zainulabdeen

Mr Altaf Zahir

Mr Ahamed Thabith Naja

AL IHSAN TRUST SRI LANKA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees' report was approved by the Board of Board Of Trustees.



Mr Ahamed Thabith Naja

Trustee

31 January 2023

AL IHSAN TRUST SRI LANKA

INDEPENDENT EXAMINER'S REPORT

TO THE BOARD OF TRUSTEES OF AL IHSAN TRUST SRI LANKA

I report to the board of trustees on my examination of the financial statements of Al Ihsan Trust Sri Lanka (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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



Reddy Siddiqui LLP

183-189 The Vale
Acton
London
W3 7RW

Dated: 31 January 2023

AL IHSAN TRUST SRI LANKA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	1,780	-	1,780	2,850	-	2,850
Charitable activities	4	-	121,134	121,134	-	147,214	147,214
Total income		<u>1,780</u>	<u>121,134</u>	<u>122,914</u>	<u>2,850</u>	<u>147,214</u>	<u>150,064</u>
Expenditure on:							
Raising funds	5	1,446	-	1,446	809	-	809
Charitable activities	6	-	128,218	128,218	-	142,842	142,842
Other	9	858	-	858	780	-	780
Total expenditure		<u>2,304</u>	<u>128,218</u>	<u>130,522</u>	<u>1,589</u>	<u>142,842</u>	<u>144,431</u>
Net (expenditure)/income for the year/							
Net movement in funds		(524)	(7,084)	(7,608)	1,261	4,372	5,633
Fund balances at 1 April 2021		<u>2,475</u>	<u>21,716</u>	<u>24,191</u>	<u>1,213</u>	<u>17,345</u>	<u>18,558</u>
Fund balances at 31 March 2022		<u>1,951</u>	<u>14,632</u>	<u>16,583</u>	<u>2,474</u>	<u>21,717</u>	<u>24,191</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

AL IHSAN TRUST SRI LANKA

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Cash at bank and in hand		17,441		24,971	
Creditors: amounts falling due within one year	10	(858)		(780)	
Net current assets			16,583		24,191
Income funds					
Restricted funds			14,632		21,717
Unrestricted funds - general			1,951		2,474
			16,583		24,191

The financial statements were approved by the Board Of Trustees on 31 January 2023



Mr Ahamed Thabith Naja
Trustee

AL IHSAN TRUST SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Al Ihsan Trust Sri Lanka is a Charity based in England & Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the board of trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the board of trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the board of trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

AL IHSAN TRUST SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.7 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the board of trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Donations and gifts	1,780	2,850

4 Charitable activities

	Orphan sponsorship 2022 £	Religious sacrifice (Qurbani) and Zakaat 2022 £	Ramadan food relief 2022 £	Water Pump, Education and Healthcare 2022 £	Total 2022 £	Total 2021 £
Charitable activities	37,455	16,880	48,520	18,279	121,134	147,214

5 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	216	197
Membership schemes and social lotteries	219	180
Advertising	100	-
Other fundraising costs	411	432
Support costs	500	-
Fundraising and publicity	1,446	809
	1,446	809

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	Religious sacrifices (Qurbani) and Zakaat	Orphan sponsorship	Ramadhan Food relief	Water Pump, Education and Healthcare	Total 2022	Total 2021
	2022 £	2022 £	2022 £	2022 £	£	£
Charitable expenditure	40,125	16,580	47,715	23,798	128,218	142,842

For the year ended 31 March 2021

	Religious sacrifices (Qurbani) and Zakaat	Orphan sponsorship	Ramadhan Food relief	Water Pump, Education and Healthcare	Total 2021
	£	£	£	£	£
Charitable expenditure	29,568	6,459	91,052	15,763	142,842
Analysis by fund					
Restricted funds	29,568	6,459	91,052	15,763	142,842

7 Board Of Trustees

None of the board of trustees (or any persons connected with them) received any remuneration during the year.

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

9 Other

	2022 £	2021 £
Other expenditure	858	780

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Other (Continued)

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	858	780

11 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Current assets/(liabilities)	16,583	-	16,583	24,191	-	24,191
	16,583	-	16,583	24,191	-	24,191

12 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).