

**SRI LANKAN MUSLIM CULTURAL CENTRE UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

SRI LANKAN MUSLIM CULTURAL CENTRE UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr A Kamaldin
Mr M Zawahir
Mr A Munawar
Mr N Mazahir
Mr A Ibrahim
Mr M Shaan
Mr F Abdul Hameed
Mr S Razeen
Hafiz Munawar Junaideen
Mr Z Zubair
Mr Halaldeen Abdul Jabbar
Mr Fahim Cassim
Mr Ashraff Jamaldeen
Mr Fairoos Sanoon Lebbe
Mr Meera Shahib Mawjuth

Charity number

1164657

Principal address

2 Whitefriars Avenue
Harrow
HA3 5RN

Auditor

Reddy Siddiqui LLP
183-189 The Vale
Acton
London
W3 7RW

SRI LANKAN MUSLIM CULTURAL CENTRE UK

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SRI LANKAN MUSLIM CULTURAL CENTRE UK

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CIO's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Our objectives are set to reflect our faith and community aims. Each year our trustees review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

Our aims remain to provide a facility as a worship place for Muslims and facilitate community activities for Sri Lankan Muslims in UK and Muslim inhabitants of Harrow. Our long term ambition is to improve their faith and to maintain confidence, respect and peace among the community through our activities.

The objects of the charity are set out in the charity's constitution and are summarised as:

1. To advance the Islamic Religion.
2. To promote the Islamic and Secular education, sport and leisure activities.
3. To relieve those who are in conditions of poverty, sickness and distress or those who are otherwise in charitable need.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Significant activities

Charitable activities

The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to those who worship at our Centre, Sri Lankan Muslims in the United Kingdom and the wider community of Harrow.

Religious and Social Activities:

Our Centre provides a place for our prayers and worship and for the activities associated with our faith and culture. During the year under review, we offered a range of religious services and activities including:

Prayers: The Centre is open all day for daily and Friday prayers. During the week we have over 80 people who regularly attend daily prayers and over 800 who regularly attend Friday prayers. In this reporting period, the Centre took the unprecedented decision to close all its facilities on 19 March 2020, due to the COVID-19 pandemic; this was ahead of the Government order for a complete lockdown. It followed a period when the Centre passed on national advice to its congregation and community. We conducted virtual Friday sermons via our Youtube channel to cater to our regular attendees. We re-opened our facilities for prayers and Friday prayers in July 2020 with restrictions and limited capacity as per the government guidelines.

Ramadan: In this reporting period, due to our facilities being closed due to the COVID-19 pandemic, we conducted daily virtual iftar reminders. The Centre usually prepares food during Ramadan for those attending the Centre who wishes to break their fast. As this was not possible in this reporting period, we conducted six Ramadhan food pack drive through collection service. We were able to source dry foods through our generous donors to distribute among our Musallies and Local Community. For Eid Al Fitr in the reporting period, as our facilities were closed, we conducted a special Eid program with various guests on our YouTube channel as well as a Special Eid Children's program consisting of Quran recitations, Nasheeds, Dua's and Speeches including an engaging storytelling session. For Eid Al Adha, we were able to conduct the morning prayers at our Centre with restrictions and limited capacity as per the government guidelines.

Quran and Islamic Educational Classes: Learning and memorisation of Qur'an is considered as an important element of religious education and training. Islamic educational classes are held at regular intervals. We continue to provide this facility for the young members of the Muslim community in our Centre. There are over 800 young people regularly attending these classes in normal times and around 500 in the covid times. These classes are designed according to the progress of the individual student and conducted on different days. Following the closure of our Centre due to the COVID-19 pandemic, our classes were delivered remotely. Staff, students, and parents were trained on how to use Zoom to deliver full remote lessons, including sending and receiving work. It was a notable success for teachers, students and parents; parents offered glowing feedback on the remote teaching.

Islamic Lectures: We regularly conduct Islamic lectures delivered by learned scholars on various subjects at our Centre which aims to impart Islamic knowledge to the members of the Muslim community and promote social cohesion. The centre was used by other local communities as well. Following the closure of our centre due to the COVID-19 pandemic, we conducted regular lectures via our Youtube channel as well as interactive zoom webinars.

Zakat: It is a part of our faith that all who are able should offer Zakat. Zakat is collected in proportion to a person's means, in accordance with the teaching of Islam, and is the giving of money for a number of specific purposes, including to help others, and to further the teaching of Islam. The centre collects Zakat and distribute according to the Islamic teachings. In addition we do provide the opportunity for those who are attending the Centre to give out their Zakat through the UK's registered charities such as Islamic relief, Interpal, etc. by allowing them collection days in our Centre. Also, distributed through the registered charities in Sri Lanka. SLMCC makes no charge for the collection and distribution of Zakat.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Hajj Programmes: Although the Hajj pilgrimage was not possible for UK residents due to the Covid-19 pandemic, our Centre arranged special virtual programs during the blessed period of Hajj.

Disaster Relief: The Centre collect donations either our self for together with other relief organizations to help people who are affected. We were able to raise funds for the flood victims of Sri Lanka and distributed them through the registered charities in Sri Lanka.

New Building Project: Alhamdulillah, in 2019 we completed the purchase of the new building premises at 2A, Tudor Road, Harrow to establish Northwest London's first centre for Islamic Higher Studies. Our intention is to produce a generation of future leaders, Imaams, Alimas, mentors and teachers who are moderate, respectful and tolerant towards the British culture and heritage, while embodying a healthy Islamic identity. In the reporting period, we have started work with architects and planners to work on planning permission with the council. Our academic team have visited several Islamic Institutions / colleges and had meetings with some prominent scholars to gain a better understanding of the experiences and challenges faced by existing institutes in the country.

Community Activities:

Sports Activities: We conduct sports activities on an annual basis for the children and adults of Sri Lankan Muslim community and the wider community of Harrow. This was not possible in 2020 due to the Covid-19 pandemic and lockdown imposed by the government.

Youth Club: We organise Friday youth club sessions every alternate week from 7pm – 9pm, welcoming boys and girls aged between 10 – 18. We offer the chance for young people to develop their friendship, skills and knowledge, creating both a fun and beneficial environment. This year, in partnership with Islamic Network, we conducted their flagship events 'Nitemania' and 'Crazia' - an unmissable experience for the youngsters including games, activities, real reminders and a 1:1 Q&A's with a Shaykh.

Interfaith Activities: We conduct various events for the local neighborhood to promote inter-community activities and dialogue.

Community Support: During the first Covid-19 lockdown, SLMCC took a lead to partner with 10 other organisations to form the Harrow Covid-19 Support Group to support the need of the community at these unprecedented times. This included weekly deliveries to provide essential food parcels and hot meals for the needy and vulnerable. This initiative led to the formation of the SLMCC-NIDA Foodbank in January 2021 working in partnership with Help Harrow (Harrow Council) to provide essential food parcels for the needy. At present, we are operating on Sunday's from 2:00pm – 4:00pm at SLMCC as a distribution and collection point.

Use of Volunteers: Volunteers are important resource in both our faith and community work. They are involved in most of our faith and community activities. We encourage all community members of SLMCC to be involved in voluntary activities and to share their skills with others. All those volunteers working with projects involving children or other vulnerable groups are CRB checked.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Health Seminars and Consultations: We conduct Health seminars and Consultation through Muslim GPs at our Centre on a periodic basis. Also a virtual awareness programme was conducted at the beginning of Ramadhan to have a healthy diet through out the month.

Career Guidance Program: In summer we commenced a career guidance program with the objective of educating the community youth with the challenges they face in the current world. This would help them to make educational, training and occupational choices to manage their careers and be better citizens.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Principal funding sources

Our Centre's main sources of income are regular community members' donations and Friday congregations' donations.

Investment policy and objectives

SLMCC has no long term investments. Our cash reserves are held in current accounts.

Reserves policy

The trustees have reviewed the reserves of the charity. Their policy is to hold sufficient funds to meet four months operating costs of the Centre, excluding the collection and distribution of Zakat, and of our community activities and programs.

Achievements and performance

Financial review

It is the policy of the CIO that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The 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 CIO'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 Trustees has assessed the major risks to which the CIO is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

Sri Lankan Muslim Cultural Centre UK (SLMCC) is constituted as a Charitable Incorporated Organisation registered with the Charity Commission on 2nd December 2015 under charity number 1164657. It is governed by constitution.

Sri Lankan Muslim Cultural Centre UK (SLMCC) was previously governed by a deed of trust. The trustees and its members were pursuing the possibility of moving to Charitable Incorporated Organisation model. After a long process, it was incorporated as a CIO on 02 December 2015.

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

Mr A Kamaldin
Mr M Zawahir
Mr A Munawar
Mr N Mazahir
Mr A Ibrahim
Mr M Shaan
Mr F Abdul Hameed
Mr S Razeen
Hafiz Munawar Junaideen
Mr Z Zubair
Mr Halaldeen Abdul Jabbar
Mr Fahim Cassim
Mr Ashraff Jamaldeen
Mr Fairroos Sanoon Lebbe
Mr Meera Shahib Mawjuth

None of the Trustees has any beneficial interest in the CIO.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are responsible for the general control and management of the charity. The connected parties to trustees work and receive remuneration or other financial benefits for their work. Please see note 16.

The trustees meet together as a body normally on a monthly basis and are responsible for all decisions taken in relation to running the Centre as well as the community facilities and the activities provided by the Centre. To assist in the smooth running of the charity the trustees have set up a number of sub committees that help them oversee certain aspects of the charity's work. List of sub-committees are as follows;

1. Al falah educational centre
2. Education and community development
3. Finance, account and fund raising
4. Administration and support
5. Building and hall hire
6. Da'wa, religious activities and neighbourhood relations
7. Sports, recreational and social activities
8. Ramadan

Each Sub committee is chaired by a member of the Board of Trustees (BoT). Members outside the BoT also form part of these sub-committees making it a wider participation amongst the community members. Sub committees have been delegated specific tasks from the BoT and there is clear scope of their roles and responsibilities. Progress are updated from each sub committees and discussed monthly at BoT meetings by the respective chairperson.

Induction and training of new trustees

Following the appointment, new trustees are introduced to their role and given a copy of the constitution and amendments; a copy of the annual report and statement of accounts and a guide to the policies, procedure and by laws. A number of publications from the Charity Commission are also provided including the guidance on charities, public benefit and on the advancement of religion for the public benefit. This ensures that new trustees are aware of the scope of their responsibilities under the Charities Act.

Risk management

The trustees have assessed the risks the charity faces and have drawn up a risk matrix which identifies the major risks by area of activity, the nature of those risks, the likelihood of the risks happening, and the measures taken to manage them. The trustees review this risk matrix regularly at their meetings and at meetings of the two sub committees on finance and buildings. The trustees are satisfied that systems are in place, or arrangements are in hand, to manage the risks that have been identified. In particular, Insurance cover is in place and the finances of the Centre are kept under review.

Auditor

Reddy Siddiqui LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees report was approved by the Board of Trustees.



Mr N Mazahir

Trustee

Dated: 19 October 2021



Mr S Razeen

Trustee

Dated: 19 October 2021

SRI LANKAN MUSLIM CULTURAL CENTRE UK

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SRI LANKAN MUSLIM CULTURAL CENTRE UK

Opinion

We have audited the financial statements of Sri Lankan Muslim Cultural Centre UK (the 'CIO') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for 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 financial statements section of our report. We are independent of the CIO in accordance with the ethical requirements that are relevant to our audit of the financial statements 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

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SRI LANKAN MUSLIM CULTURAL CENTRE UK

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the CIO'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 Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SRI LANKAN MUSLIM CULTURAL CENTRE UK

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Seema Siddiqui (Senior Statutory Auditor)
for and on behalf of Reddy Siddiqui LLP

19 October 2021

Chartered Accountants
Statutory Auditor

183-189 The Vale
Acton
London
W3 7RW

Reddy Siddiqui LLP is eligible for appointment as auditor of the CIO by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	271,808	1,045	272,853	473,831	6,494	480,325
Other trading activities	4	12,590	-	12,590	17,027	-	17,027
Other income	5	200,392	-	200,392	295,660	-	295,660
Total income		484,790	1,045	485,835	786,518	6,494	793,012
<u>Expenditure on:</u>							
Charitable activities	6	441,992	850	442,842	430,250	2,365	432,615
Net income for the year/ Net movement in funds		42,798	195	42,993	356,268	4,129	360,397
Fund balances at 1 January 2020		786,194	870,109	1,656,303	429,926	865,980	1,295,906
Fund balances at 31 December 2020		828,992	870,304	1,699,296	786,194	870,109	1,656,303

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

All income and expenditure derive from continuing activities.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

BALANCE SHEET

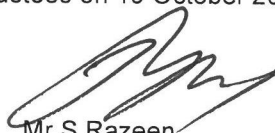
AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		2,728,689		2,790,034
Current assets					
Stocks	11	3,917		3,576	
Debtors	12	67,186		83,256	
Cash at bank and in hand		125,627		57,963	
		196,730		144,795	
Creditors: amounts falling due within one year	13	(1,226,123)		(1,278,526)	
Net current liabilities			(1,029,393)		(1,133,731)
Total assets less current liabilities			1,699,296		1,656,303
Income funds					
Restricted funds			870,304		870,109
Unrestricted funds			828,992		786,194
			1,699,296		1,656,303

The financial statements were approved by the Trustees on 19 October 2021



Mr N Mazahir
Trustee



Mr S Razeen
Trustee

SRI LANKAN MUSLIM CULTURAL CENTRE UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Sri Lankan Muslim Cultural Centre UK is incorporated as charitable incorporated organisation (CIO).

1.1 Accounting convention

The financial statements have been prepared in accordance with the CIO's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 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 CIO. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. Thus the 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 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.

1.4 Income

Income is recognised when the CIO 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 CIO 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 CIO 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.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

1.5 Expenditure

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years Straight line
Plant and equipment	20% on cost
Fixtures and fittings	20% on cost
Computers	Enter depreciation rate via StatDB - cd198

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the CIO reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 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.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The CIO has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the CIO's balance sheet when the CIO becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 CIO's contractual obligations expire or are discharged or cancelled.

1.11 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 CIO 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 CIO's accounting policies, the 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.

SRI LANKAN MUSLIM CULTURAL CENTRE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	136,464	-	136,464	467,291	-	467,291
Other income	132,989	-	132,989	-	-	-
Membership fees	2,355	-	2,355	6,540	-	6,540
Other	-	1,045	1,045	-	6,494	6,494
	<u>271,808</u>	<u>1,045</u>	<u>272,853</u>	<u>473,831</u>	<u>6,494</u>	<u>480,325</u>

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Letting and licensing arrangements	<u>12,590</u>	<u>17,027</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Al Falah Income & Donation	166,572	233,721
UF Other Income 2	33,820	61,939
	<u>200,392</u>	<u>295,660</u>

SRI LANKAN MUSLIM CULTURAL CENTRE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Charitable Expenditure Heading 1 2020 £	Charitable Expenditure Heading 1 2019 £
RF Distribution of Zakat funds	850	2,365
Share of support costs (see note 7)	423,315	412,888
Share of governance costs (see note 7)	18,677	17,362
	<u>442,842</u>	<u>432,615</u>
Analysis by fund		
Unrestricted funds	441,992	430,250
Restricted funds	850	2,365
	<u>442,842</u>	<u>432,615</u>

7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	285,658	-	285,658	210,609	-	210,609
Depreciation	61,345	-	61,345	61,345	-	61,345
Support costs heading 1	76,312	-	76,312	140,934	-	140,934
Accountancy	-	3,840	3,840	-	1,500	1,500
Legal and professional	-	14,837	14,837	-	15,862	15,862
	<u>423,315</u>	<u>18,677</u>	<u>441,992</u>	<u>412,888</u>	<u>17,362</u>	<u>430,250</u>
Analysed between Charitable activities	<u>423,315</u>	<u>18,677</u>	<u>441,992</u>	<u>412,888</u>	<u>17,362</u>	<u>430,250</u>

Governance costs includes payments to the Auditor of £3,600 as audit fee and £1,500 for accountancy services.

8 Trustees

None of the trustees received any remuneration during the year but 3 persons who are connected to trustees, received the remuneration totalling £32,657.85 (2019 - 8 persons to trustees, received the remuneration of £11,810.01).

SRI LANKAN MUSLIM CULTURAL CENTRE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	41	37
Employment costs	2020 £	2019 £
Wages and salaries	282,994	209,389
Social security costs	2,664	1,220
	285,658	210,609

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2020	2,856,541	3,908	15,305	1,110	2,876,864
At 31 December 2020	2,856,541	3,908	15,305	1,110	2,876,864
Depreciation and impairment					
At 1 January 2020	74,014	1,568	10,878	370	86,830
Depreciation charged in the year	57,131	782	3,062	370	61,345
At 31 December 2020	131,145	2,350	13,940	740	148,175
Carrying amount					
At 31 December 2020	2,725,396	1,558	1,365	370	2,728,689
At 31 December 2019	2,782,527	2,340	4,427	740	2,790,034

11 Stocks

	2020 £	2019 £
Finished goods and goods for resale	3,917	3,576

SRI LANKAN MUSLIM CULTURAL CENTRE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	67,186	83,256

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	7,980	-
Other creditors	1,213,043	1,273,426
Accruals and deferred income	5,100	5,100
	1,226,123	1,278,526

14 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	2,728,689	-	2,728,689	2,790,034	-	2,790,034
Current assets/ (liabilities)	(1,029,393)	-	(1,029,393)	(1,133,731)	-	(1,133,731)
	1,699,296	-	1,699,296	1,656,303	-	1,656,303

SRI LANKAN MUSLIM CULTURAL CENTRE UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Related party transactions

During the year the CIO entered into the following transactions with related parties:

None of the trustees received any remuneration during the year but 3 persons are connected to trustees, received the remuneration totalling £32,657.85(2019 - 8 persons and one company connected to trustees, received the remuneration of £11,810.01). Trustees connected parties names are as below, who were paid during the year.

Name of the Related Party	Name of the person connected to
Umai Salam Munawar	Munawar Junaideen
Abdullah Munawar	Munawar Junaideen
Ammar Munawar	Munawar Junaideen