

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Unaudited Financial Statements

31 March 2023

CHIPCHASE MANNERS

Chartered accountants
384 Linthorpe Road
Middlesbrough
TS5 6HA

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Financial Statements

Year ended 31 March 2023

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	4
Statement of financial activities	5
Statement of financial position	6
Notes to the financial statements	7

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report

Year ended 31 March 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name	FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE
Charity registration number	1165718
Principal office	Bowesfield Lane Stockton on Tees TS18 3EB

The trustees

T Sadiq
M Altaf
M A Khan
M Mubeen
I Mohammed
A Khaliq

Independent examiner	Chipchase Manners 384 Linthorpe Road Middlesbrough TS5 6HA
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Structure, governance and management

Governing document
The charity is governed by its constitution adopted on 24 February 2016.

Governing body
The charity is governed by Trustees, which consists of 6 members directly elected by the general public through a ballot. The ultimate responsibility to run the organisation lies with the Trustees.

Risk management
Internal risks are minimised by the implementation of procedures for authorisation of all bank transactions by a Trustee. Any transactions over £1,000 are to be authorised by 2 Trustees.

Objectives and activities

Primary activity and public benefit
The principal activity of the charity is to advance the Muslim religion in the Stockton On Tees area for the benefit of the public through the holding of prayer meetings, lectures, public celebration of religious festivals and the distribution of literature on the Islamic faith to enlighten others about the Muslim religion. The charity proposes to do this by building a new mosque on the land already existing for the above purpose and to adopt appropriate strategies to accomplish this task.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Objectives and activities *(continued)*

Membership

Every Muslim in the area who agrees with the basic aims of the organisation can become its member. It is necessary to pay annual contributions to the mosque fund regularly to remain a member. Every permanent member has a right to take part in elections.

Achievements and performance

The Charity has continued to operate towards the objects set out in the clause. These include the main activities of catering towards the religious needs of the people of Stockton on Tees and the provision of educational activities.

The Trustees have considered the Charity Commission's general guidance on public benefit and in particular, the supplementary guidance on the advancement of religion for the public benefit. The Trustees are confident that the operations of the Charity as set out in the Objects deliver public benefit to the wider community of Stockton on Tees.

The level of donations in 2022/23 was pleasing, especially given the economic climate.

Charity policies

The Charity does not have any investments. There were no grants made during the period.

The only reserves held by the Charity are the funds in the current account. There is no set policy on the level of income reserves held other than to maintain any surpluses left from donations for the furtherance of its Objects.

The reserves are likely to be utilised by potential repairs to the building and the day-to-day running of the Charity.

Financial review

The charity's policy is to retain reserves, in the form of unrestricted funds, at no specific level other than to maintain any surpluses left from donations for the furtherance of its Objects. This should provide a reasonably secure financial base on which to plan future projects and commit to related expenditure before external funding has been fully secured. The general fund shows an excess of incoming over outgoing resources of £36,212 during the year, while the balance sheet shows aggregate reserves of £2,142,462 at 31 March 2023.

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements. The Trustees are satisfied with the overall financial position of the charity and can confirm that the charity has the resources to fully discharge its obligations.

Risk statement

It is confirmed that the major risks identified by the Trustees have been reviewed and systems established to mitigate those risks.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

The trustees' annual report was approved on 31 January 2024 and signed on behalf of the board of trustees by: **MOHAMMED ANEAL CHAN**

M.A.C.

I Mohammed
Trustee

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Independent Examiner's Report to the Trustees of FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE ('the charity') for the year ended 31 March 2023.

Responsibilities and basis of report

As the 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 Act').

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

Independent examiner's statement

I have completed my examination. I confirm that no material 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 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 accounts to be reached.

Chipchase Manners
Independent Examiner

384 Linthorpe Road
Middlesbrough
TS5 6HA

31 January 2024

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Statement of Financial Activities

Year ended 31 March 2023

		2023		2022
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	155,106	155,106	152,584
Total income		<u>155,106</u>	<u>155,106</u>	<u>152,584</u>
Expenditure				
Expenditure on charitable activities	5,6	118,894	118,894	92,733
Total expenditure		<u>118,894</u>	<u>118,894</u>	<u>92,733</u>
Net income and net movement in funds		<u>36,212</u>	<u>36,212</u>	<u>59,851</u>
Reconciliation of funds				
Total funds brought forward		2,106,250	2,106,250	2,046,399
Total funds carried forward		<u>2,142,462</u>	<u>2,142,462</u>	<u>2,106,250</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.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	11	1,960,531	1,941,078
Current assets			
Debtors	12	2,582	2,433
Cash at bank and in hand		180,979	164,397
		183,561	166,830
Creditors: amounts falling due within one year	13	1,630	1,658
		181,931	165,172
Net current assets			
		2,142,462	2,106,250
Total assets less current liabilities			
		2,142,462	2,106,250
Net assets			
Funds of the charity			
Unrestricted funds		2,142,462	2,106,250
Total charity funds	16	2,142,462	2,106,250

These financial statements were approved by the board of trustees and authorised for issue on 31 January 2024, and are signed on behalf of the board by: **MOHAMMED ANEAL KHAN**

M.A.K.

I Mohammed
Trustee

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

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Bowesfield Lane, Stockton on Tees, TS18 3EB.

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 Charities Act 2011.

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.

Disclosure exemptions

Disclosures in respect of financial instruments have not been presented as all were considered basic.

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.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 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

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.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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:

Fixtures and fittings - 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.

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.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

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. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	155,106	155,106	151,605	151,605
Grants				
Government grant income	—	—	979	979
	<u>155,106</u>	<u>155,106</u>	<u>152,584</u>	<u>152,584</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Mosque	117,222	117,222	91,403	91,403
Support costs	1,672	1,672	1,330	1,330
	<u>118,894</u>	<u>118,894</u>	<u>92,733</u>	<u>92,733</u>

6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Mosque	117,222	—	117,222	91,403
Governance costs	—	1,672	1,672	1,330
	<u>117,222</u>	<u>1,672</u>	<u>118,894</u>	<u>92,733</u>

7. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>1,048</u>	<u>984</u>

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

8. Independent examination fees

	2023	2022
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,512</u>	<u>1,320</u>

9. Staff costs

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

	2023	2022
	£	£
Wages and salaries	52,972	54,062
Employer contributions to pension plans	<u>565</u>	<u>726</u>
	<u>53,537</u>	<u>54,788</u>

The average head count of employees during the year was 4 (2022: 5). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Employees	4	5
Trustees	<u>6</u>	<u>7</u>
	<u>10</u>	<u>12</u>

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

10. Trustee remuneration and expenses

No remuneration has been paid directly or indirectly by the charity to any member of the Board of Trustees.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

11. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	1,937,143	15,131	1,952,274
Additions	18,658	1,843	20,501
At 31 March 2023	1,955,801	16,974	1,972,775
Depreciation			
At 1 April 2022	–	11,196	11,196
Charge for the year	–	1,048	1,048
At 31 March 2023	–	12,244	12,244
Carrying amount			
At 31 March 2023	1,955,801	4,730	1,960,531
At 31 March 2022	1,937,143	3,935	1,941,078

12. Debtors

	2023 £	2022 £
Prepayments and accrued income	2,582	2,433

13. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	1,512	1,320
Social security and other taxes	4	250
Other creditors	114	88
	1,630	1,658

14. 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 £565 (2022: £726).

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Government grants

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

	2023	2022
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>—</u>	<u>979</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
General funds	<u>2,106,250</u>	<u>155,106</u>	<u>(118,894)</u>	<u>2,142,462</u>

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	<u>2,046,399</u>	<u>152,584</u>	<u>(92,733)</u>	<u>2,106,250</u>

Purposes of unrestricted funds

The unrestricted fund represents the income received and expenditure incurred in providing the services and activities of the charity.

17. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	2023
	£	£
Tangible fixed assets	1,960,531	1,960,531
Current assets	183,561	183,561
Creditors less than 1 year	(1,630)	(1,630)
Net assets	<u>2,142,462</u>	<u>2,142,462</u>

	Unrestricted Funds	Total Funds
	£	2022
	£	£
Tangible fixed assets	1,941,078	1,941,078
Current assets	166,830	166,830
Creditors less than 1 year	(1,658)	(1,658)
Net assets	<u>2,106,250</u>	<u>2,106,250</u>

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

18. Transition to FRS 102

These are the first financial statements that comply with FRS 102.

No transitional adjustments were required in the retained funds or income or expenditure for the period.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE
Unaudited Financial Statements
31 March 2023

CHIPCHASE MANNERS

Chartered accountants
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TS5 6HA

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Financial Statements

Year ended 31 March 2023

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	4
Statement of financial activities	5
Statement of financial position	6
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed statement of financial activities	16
Notes to the detailed statement of financial activities	17

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report

Year ended 31 March 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

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Charity registration number	1165718
Principal office	Bowesfield Lane Stockton on Tees TS18 3EB

The trustees

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Independent examiner	Chipchase Manners 384 Linthorpe Road Middlesbrough TS5 6HA
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Structure, governance and management

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Internal risks are minimised by the implementation of procedures for authorisation of all bank transactions by a Trustee. Any transactions over £1,000 are to be authorised by 2 Trustees.

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Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Objectives and activities *(continued)*

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Achievements and performance

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The Trustees have considered the Charity Commission's general guidance on public benefit and in particular, the supplementary guidance on the advancement of religion for the public benefit. The Trustees are confident that the operations of the Charity as set out in the Objects deliver public benefit to the wider community of Stockton on Tees.

The level of donations in 2022/23 was pleasing, especially given the economic climate.

Charity policies

The Charity does not have any investments. There were no grants made during the period.

The only reserves held by the Charity are the funds in the current account. There is no set policy on the level of income reserves held other than to maintain any surpluses left from donations for the furtherance of its Objects.

The reserves are likely to be utilised by potential repairs to the building and the day-to-day running of the Charity.

Financial review

The charity's policy is to retain reserves, in the form of unrestricted funds, at no specific level other than to maintain any surpluses left from donations for the furtherance of its Objects. This should provide a reasonably secure financial base on which to plan future projects and commit to related expenditure before external funding has been fully secured. The general fund shows an excess of incoming over outgoing resources of £36,212 during the year, while the balance sheet shows aggregate reserves of £2,142,462 at 31 March 2023.

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Risk statement

It is confirmed that the major risks identified by the Trustees have been reviewed and systems established to mitigate those risks.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

The trustees' annual report was approved on 31 January 2024 and signed on behalf of the board of trustees by: **MOHAMMED ANEAL KHAN**

M.A.K. 

I Mohammed
Trustee

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Independent Examiner's Report to the Trustees of FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Year ended 31 March 2023

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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.

Chipchase Manners
Independent Examiner

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31 January 2024

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Statement of Financial Activities

Year ended 31 March 2023

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FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
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Current assets			
Debtors	12	2,582	2,433
Cash at bank and in hand		180,979	164,397
		<u>183,561</u>	<u>166,830</u>
Creditors: amounts falling due within one year	13	<u>1,630</u>	<u>1,658</u>
Net current assets		<u>181,931</u>	<u>165,172</u>
Total assets less current liabilities		<u>2,142,462</u>	<u>2,106,250</u>
Net assets		<u>2,142,462</u>	<u>2,106,250</u>
Funds of the charity			
Unrestricted funds		<u>2,142,462</u>	<u>2,106,250</u>
Total charity funds	16	<u>2,142,462</u>	<u>2,106,250</u>

These financial statements were approved by the board of trustees and authorised for issue on 31 January 2024, and are signed on behalf of the board by: **MOHAMMED ANEAL KHAN**

M.A.Kh

I Mohammed
Trustee

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

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements

Year ended 31 March 2023

1. General Information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Bowesfield Lane, Stockton on Tees, TS18 3EB.

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 Charities Act 2011.

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.

Disclosure exemptions

Disclosures in respect of financial instruments have not been presented as all were considered basic.

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.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 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

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.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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:

Fixtures and fittings - 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.

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.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

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. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	155,106	155,106	151,605	151,605
Grants				
Government grant income	—	—	979	979
	<u>155,106</u>	<u>155,106</u>	<u>152,584</u>	<u>152,584</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Mosque	117,222	117,222	91,403	91,403
Support costs	1,672	1,672	1,330	1,330
	<u>118,894</u>	<u>118,894</u>	<u>92,733</u>	<u>92,733</u>

6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Mosque	117,222	—	117,222	91,403
Governance costs	—	1,672	1,672	1,330
	<u>117,222</u>	<u>1,672</u>	<u>118,894</u>	<u>92,733</u>

7. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>1,048</u>	<u>984</u>

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

8. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,512</u>	<u>1,320</u>

9. Staff costs

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

	2023 £	2022 £
Wages and salaries	52,972	54,062
Employer contributions to pension plans	<u>565</u>	<u>726</u>
	<u>53,537</u>	<u>54,788</u>

The average head count of employees during the year was 4 (2022: 5). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Employees	4	5
Trustees	<u>6</u>	<u>7</u>
	<u>10</u>	<u>12</u>

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

10. Trustee remuneration and expenses

No remuneration has been paid directly or indirectly by the charity to any member of the Board of Trustees.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

11. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	1,937,143	15,131	1,952,274
Additions	18,658	1,843	20,501
At 31 March 2023	1,955,801	16,974	1,972,775
Depreciation			
At 1 April 2022	–	11,196	11,196
Charge for the year	–	1,048	1,048
At 31 March 2023	–	12,244	12,244
Carrying amount			
At 31 March 2023	1,955,801	4,730	1,960,531
At 31 March 2022	1,937,143	3,935	1,941,078

12. Debtors

	2023 £	2022 £
Prepayments and accrued income	2,582	2,433

13. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	1,512	1,320
Social security and other taxes	4	250
Other creditors	114	88
	1,630	1,658

14. 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 £565 (2022: £726).

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Government grants

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

	2023 £	2022 £
Recognised in income from donations and legacies:		
Government grants income	<u>—</u>	<u>979</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
General funds	<u>2,106,250</u>	<u>155,106</u>	<u>(118,894)</u>	<u>2,142,462</u>

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>2,046,399</u>	<u>152,584</u>	<u>(92,733)</u>	<u>2,106,250</u>

Purposes of unrestricted funds

The unrestricted fund represents the income received and expenditure incurred in providing the services and activities of the charity.

17. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	1,960,531	1,960,531
Current assets	183,561	183,561
Creditors less than 1 year	(1,630)	(1,630)
Net assets	<u>2,142,462</u>	<u>2,142,462</u>

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,941,078	1,941,078
Current assets	166,830	166,830
Creditors less than 1 year	(1,658)	(1,658)
Net assets	<u>2,106,250</u>	<u>2,106,250</u>

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

18. Transition to FRS 102

These are the first financial statements that comply with FRS 102.

No transitional adjustments were required in the retained funds or income or expenditure for the period.

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Management Information

Year ended 31 March 2023

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

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Detailed Statement of Financial Activities

Year ended 31 March 2023

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Donations	155,106	151,605
Government grant income	—	979
	<u>155,106</u>	<u>152,584</u>
Total income	<u>155,106</u>	<u>152,584</u>
Expenditure		
Expenditure on charitable activities		
Purchases	20,864	307
Wages and salaries	52,972	54,062
Pension costs	565	726
Rates and water	1,669	3,456
Light and heat	17,612	15,912
Repairs and maintenance	9,467	8,161
Insurance	2,286	2,337
Legal and professional fees	1,672	1,330
Telephone	792	863
Other office costs	1,059	1,025
Depreciation	1,048	984
Cleaning	8,888	3,570
	<u>118,894</u>	<u>92,733</u>
Total expenditure	<u>118,894</u>	<u>92,733</u>
Net income	<u>36,212</u>	<u>59,851</u>

FAROOQ E AZAM MOSQUE & ISLAMIC CENTRE

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2023

	2023 £	2022 £
Expenditure on charitable activities		
Mosque		
<i>Activities undertaken directly</i>		
Direct costs	20,864	307
Wages/salaries	52,972	54,062
Pension costs	565	726
Rates & water	1,669	3,456
Light & heat	17,612	15,912
Repairs & renewals	9,467	8,161
Insurance	2,286	2,337
Telephone	792	863
Other office costs	1,059	1,025
Depreciation	1,048	984
Cleaning	8,888	3,570
	<u>117,222</u>	<u>91,403</u>
Governance costs		
Accountancy fees	1,512	1,330
Legal and other professional fees	160	—
	<u>1,672</u>	<u>1,330</u>
Expenditure on charitable activities	<u><u>118,894</u></u>	<u><u>92,733</u></u>
