

**AL-Ikhlas Culture and Education Centre**  
**Unaudited Financial Statements**  
**For the year ended**  
**31 March 2021**

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**SAK2020 LTD.**  
Chartered Certified Accountants  
Broadway House  
Broadway  
Cardiff  
CF24 1PU

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# **AL-Ikhlas Culture and Education Centre**

## **Financial Statements**

**Year ended 31 March 2021**

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# **AL-Ikhlas Culture and Education Centre**

## **Trustees' Annual Report**

**Year ended 31 March 2021**

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

### **Reference and administrative details**

<b>Registered charity name</b>	AL-Ikhlas Culture and Education Centre
<b>Charity registration number</b>	1172035
<b>Company registration number</b>	1172035
<b>Principal office and registered office</b>	16 Bayside Road Cardiff CF24 5NA UK

### **The trustees**

Mr A Taha  
Mr A A Jalal

<b>Independent examiner</b>	Akhtar Ali Mir FCPA, ACIE Independent Examiner Broadway House Broadway Cardiff CF24 1PU
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### **Objectives and activities**

"To providing and support Islamic education through the study of the Quran and Arabic language." To providing facilities for regular prayer meetings for the Muslim community." To foster interfaith relationships and promoting religious harmony in Cardiff and the surrounding area by working in partnership with other faiths. "To provide assistance to those in need through Islamic counselling and dispute resolution. "To provide support to young people through means such as leisure time activities, conducted with a religious ethos in order to develop their capabilities.

#### **Aims**

The ultimate aim of Al-Ikhlas Centre is to bring about wider religious and social benefits. It is to prevent any social, psychological or physical harm to our members, their community and wider society. We strive to provide a moderate yet continuous Islamic environment for the Muslim community, particularly in Adamsdown. We also aim to contribute towards portraying a peaceful image of Islam in the city of Cardiff based on our guiding principles. We aim to ensure that our services are delivered to very high standards and with professionalism. Therefore, our weekly classes, regular activities and after school Qur'an club for children are planned, prepared and delivered to a high standard of teaching. We aim to expand and improve our newly established youth club. This will encourage the youth to integrate and occupy themselves in an environment that will protect and guide them.

# AL-Ikhlas Culture and Education Centre

## Trustees' Annual Report *(continued)*

Year ended 31 March 2021

### Achievements and performance

Al-Ikhlas Centre was established to fulfil the growing demand for education classes, a Friday and Ramadhan activities space, and other cultural/religious activities in the area that lacks the presence of such an Islamic community centre. We seek to create a God Almighty centric, spiritually balanced, peaceful and prosperous Cardiff, where all communities respect each other and work together for the common good. Al-Ikhlas Centre is close to a burgeoning asylum seeker community and a recent refugee community.

Therefore, by default, Al-Ikhlas Centre quietly assists with the integration of asylum seekers and refugees, helps them build new futures in Wales and creates a harmonious society. This is achieved by providing them with a safe environment where they can find shelter and sanctuary, both socially and religiously. Furthermore, Al-Ikhlas Centre is the only mosque in this central and densely popular area in which Muslims are considered a large majority.

Al-Ikhlas Centre has managed to purchase two buildings 88 and 90 Broadway adjacent to the building. Both properties have been demolished and awaited to start the redevelopment of a new centre. Al-Ikhlas centre has also initiated a new project called Foodbank@Al-Ikhlas. This project was initiated to save asylum seekers and refugees as well as the most destitute in our community. We have served the community during Covid-19 pandemic providing services such as

- Delivering food parcels to vulnerable and self-isolating
- Collecting and delivering prescriptions
- Shopping support
- Delivered over 4500 hot food meals to asylum seekers and refugees.

### Plans for future periods

We need to raise £550,000 in order to complete ongoing building work at 88-90 Broadway and to buy 92 Broadway which has been offered to the charity for £150,000. The acquisition of 92 Broadway will save £600 rent which currently charity is paying.

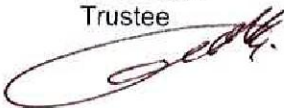
This future project will enhance our activities and enable greater interaction with the local host community. We anticipate undertaking daily activities and requesting the neighbouring community to take part, in order to spread better understanding of the true spirit of Islam. We are also looking to include the homeless in our 'dine@Al-Ikhlas' initiative.

### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 16/12/2021 and signed on behalf of the board of trustees by:

Mr A Taha  
Trustee



Mr A A Jalal  
Trustee






# AL-Ikhlas Culture and Education Centre

## Independent Examiner's Report to the Trustees of AL-Ikhlas Culture and Education Centre *(continued)*

Year ended 31 March 2021

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.

  
Akhtar Ali Mir FCPA, ACIE  
Independent Examiner  
Broadway House  
Broadway  
Cardiff  
CF24 1PU

16th December 2021

# AL-Ikhlas Culture and Education Centre

## Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>				
Donations and legacies	4	453,042	453,042	163,174
<b>Total income</b>		<u>453,042</u>	<u>453,042</u>	<u>163,174</u>
<b>Expenditure</b>				
Expenditure on charitable activities	5,6	41,335	41,335	51,093
<b>Total expenditure</b>		<u>41,335</u>	<u>41,335</u>	<u>51,093</u>
<b>Net income and net movement in funds</b>		<u>411,707</u>	<u>411,707</u>	<u>112,081</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		397,593	397,593	285,512
<b>Total funds carried forward</b>		<u>809,300</u>	<u>809,300</u>	<u>397,593</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 12 form part of these financial statements.

# AL-Ikhlas Culture and Education Centre

## Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	9	693,730	362,785
<b>Current assets</b>			
Cash at bank and in hand		196,747	115,385
<b>Creditors: amounts falling due within one year</b>	10	1,177	577
<b>Net current assets</b>		195,570	114,808
<b>Total assets less current liabilities</b>		889,300	477,593
<b>Creditors: amounts falling due after more than one year</b>	11	80,000	80,000
<b>Net assets</b>		809,300	397,593
<b>Funds of the charity</b>			
Unrestricted funds		809,300	397,593
<b>Total charity funds</b>	13	809,300	397,593

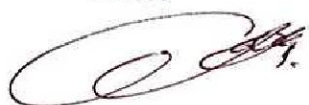
For the year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of trustees and authorised for issue on ...1.6./12./2021....., and are signed on behalf of the board by:

Mr A Taha  
Trustee



Mr A A Jalal  
Trustee



The notes on pages 7 to 12 form part of these financial statements.

# **AL-Ikhlas Culture and Education Centre**

## **Notes to the Financial Statements**

**Year ended 31 March 2021**

### **1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

### **2. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

There are no material uncertainties about the charity's ability to continue.

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

#### **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.



# AL-Ikhlas Culture and Education Centre

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 2. Accounting policies *(continued)*

#### 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.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line 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.

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:

#### 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.

# AL-Ikhlas Culture and Education Centre

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 2. Accounting policies *(continued)*

#### **Impairment of fixed assets *(continued)***

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.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.



# AL-Ikhlas Culture and Education Centre

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 2. Accounting policies *(continued)*

#### Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### 3. Limited by guarantee

### 4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
<b>Donations</b>				
Donations	183,042	183,042	163,174	163,174
<b>Grants</b>				
Covid-19 Grant	20,000	20,000	—	—
Welsh Government Grant	250,000	250,000	—	—
	<u>453,042</u>	<u>453,042</u>	<u>163,174</u>	<u>163,174</u>

### 5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Activity type 1	<u>41,335</u>	<u>41,335</u>	<u>51,093</u>	<u>51,093</u>

### 6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2021 £	Total fund 2020 £
Activity type 1	<u>41,335</u>	<u>41,335</u>	<u>51,093</u>

# AL-Ikhlas Culture and Education Centre

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 7. Net income

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	53	66
Operating lease rentals	<u>2,310</u>	<u>—</u>

### 8. Staff costs

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

	2021	2020
	£	£
Wages and salaries	<u>10,840</u>	<u>15,710</u>

The average head count of employees during the year was Nil (2020: Nil).

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

### 9. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2020	362,520	444	362,964
Additions	<u>330,998</u>	<u>—</u>	<u>330,998</u>
<b>At 31 March 2021</b>	<u>693,518</u>	<u>444</u>	<u>693,962</u>
<b>Depreciation</b>			
At 1 April 2020	—	179	179
Charge for the year	<u>—</u>	<u>53</u>	<u>53</u>
<b>At 31 March 2021</b>	<u>—</u>	<u>232</u>	<u>232</u>
<b>Carrying amount</b>			
<b>At 31 March 2021</b>	<u>693,518</u>	<u>212</u>	<u>693,730</u>
At 31 March 2020	<u>362,520</u>	<u>265</u>	<u>362,785</u>

### 10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	<u>1,177</u>	<u>577</u>

### 11. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Karz e Hassana	<u>80,000</u>	<u>80,000</u>



# AL-Ikhlas Culture and Education Centre

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 12. Government grants

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

	2021 £	2020 £
Recognised in income from donations and legacies:		
Government grants income	<u>250,000</u>	<u>—</u>

### 13. Analysis of charitable funds

#### Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 20 21 £
General funds	<u>397,593</u>	<u>453,042</u>	<u>(41,335)</u>	<u>809,300</u>

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 20 20 £
General funds	<u>285,512</u>	<u>163,174</u>	<u>(51,093)</u>	<u>397,593</u>

# **AL-Ikhlas Culture and Education Centre**

## **Management Information**

**Year ended 31 March 2021**

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

# AL-Ikhlās Culture and Education Centre

## Detailed Statement of Financial Activities

Year ended 31 March 2021

	2021 £	2020 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Donations	183,042	163,174
Covid-19 Grant	20,000	—
Welsh Government Grant	250,000	—
	<u>453,042</u>	<u>163,174</u>
<b>Total income</b>	<u>453,042</u>	<u>163,174</u>
<b>Expenditure</b>		
<b>Expenditure on charitable activities</b>		
Volunteer Expense	10,840	15,710
Funeral Services	2,310	—
Rent - 92 Broadway	7,200	7,200
Rates & Water	5,006	3,217
Light & Heat	1,848	2,481
Repairs & maintenance	734	284
Insurance	—	577
Food Expense (Feeding Refugees)	11,312	3,053
Travel & Subsistence	480	500
Donation / Zakat	700	3,947
Depreciation	53	66
Ramadan Iftar	—	13,100
Printing, Stationary & Postage	110	543
Sundry Expenses	70	32
Cleaning and Refuse	672	383
	<u>41,335</u>	<u>51,093</u>
<b>Total expenditure</b>	<u>41,335</u>	<u>51,093</u>
<b>Net income</b>	<u>411,707</u>	<u>112,081</u>

**AL-Ikhlas Culture and Education Centre**  
**Notes to the Detailed Statement of Financial Activities**  
**Year ended 31 March 2021**

	2021 £	2020 £
<b>Expenditure on charitable activities</b>		
<b>Activity type 1</b>		
<i>Activities undertaken directly</i>		
Volunteer Expense	10,840	15,710
Funeral Services	2,310	—
Rent - 92 Broadway	7,200	7,200
Rates & Water	5,006	3,217
Light & Heat	1,848	2,481
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