

**AL-Ikhlas Culture and Education Centre**  
**Unaudited Financial Statements**  
**For the year ended**  
**31 March 2022**

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

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

## **Financial Statements**

**Year ended 31 March 2022**

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

## **Trustees' Annual Report**

**Year ended 31 March 2022**

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

### **Reference and administrative details**

<b>Registered charity name</b>	AL-Ikhlās 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 Splott Cardiff CF24 5NA
<b>The trustees</b>	Mr A Taha Mr A A Jalal
<b>Independent examiner</b>	SAK2020 Ltd. Broadway House Broadway Cardiff CF24 1PU

### **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-Ikhlās 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 2022**

### **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 managed to purchase 92 Broadway during the year. This building will be used for ladies' activities. The main centre (ie 88 and 90 Broadway) is 95% completed and may open for the worshipper in July 2022.

### **Plans for future periods**

Centre is planning to improve 92 Broadway so that it is merged with the new building. Facilities at 92 Broadway need immediate improvement and centre will start improvement work once 88 and 90 Broadway is completed.

### **Restricted fund**

This represents funds raised by the Libyan community for the Trustee Hassan Hamouda who died in 12/09/2021 to set up a "Sadka Jariah" project for his "swab".

### **Small company provisions**

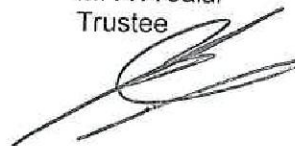
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 08/06/2022 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**

**Year ended 31 March 2022**

I report to the trustees on my examination of the financial statements of AL-Ikhlas Culture and Education Centre ('the charity') for the year ended 31 March 2022.

### **Responsibilities and basis of report**

As the charity's trustees you are responsible for the preparation of the accounts. The charity's trustees consider an audit is not required for this year (under s43 (3) of the Charities Act 1993 (the Act)).

It is my responsibility to:

1. Examine the accounts (under s43 (3) (a) of the 1993 Act)
2. Follow the procedures laid down in the General Directions given by the Charity Commissioners under section 43 (7) (b) of the Act, and 3. to state whether particular matters have come to my attention.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

" examine the accounts under section 145 of the 2011 Act;

" to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and

" to state whether particular matters have come to my attention.

### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

# 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 2022

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.

*SAK2020 Ltd*

SAK2020 Ltd.  
Chartered Certified Accountants  
Broadway House  
Broadway  
Cardiff  
CF24 1PU

Date: *8th June 2022*

# AL-Ikhlas Culture and Education Centre

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

Year ended 31 March 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	4	207,669	10,145	232,581	453,042
<b>Total income</b>		<u>207,669</u>	<u>10,145</u>	<u>232,581</u>	<u>453,042</u>
<b>Expenditure</b>					
Expenditure on charitable activities	5,6	45,748	–	47,050	41,335
<b>Total expenditure</b>		<u>45,748</u>	<u>–</u>	<u>47,050</u>	<u>41,335</u>
<b>Net income and net movement in funds</b>		<u>161,921</u>	<u>10,145</u>	<u>185,531</u>	<u>411,707</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		809,300	–	809,300	397,593
<b>Total funds carried forward</b>		<u>971,221</u>	<u>10,145</u>	<u>981,366</u>	<u>809,300</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 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	9	1,047,552	693,730
<b>Current assets</b>			
Cash at bank and in hand		63,279	196,747
<b>Creditors: amounts falling due within one year</b>	10	—	1,177
<b>Net current assets</b>		63,279	195,570
<b>Total assets less current liabilities</b>		1,110,831	889,300
<b>Creditors: amounts falling due after more than one year</b>	11	116,000	80,000
<b>Net assets</b>		994,831	809,300
<b>Funds of the charity</b>			
Restricted funds		10,145	—
Unrestricted funds		971,221	809,300
<b>Total charity funds</b>	13	981,366	809,300

For the year ending 31 March 2022 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.

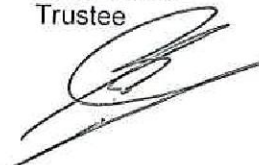
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 08/06/2022....., 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 2022**

### **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 2022**

### **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 2022

### 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 2022

### 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 £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Donations	207,669	–	222,436
Donations for the diseased trustee	–	10,145	10,145
<b>Grants</b>			
Covid-19 Grant	–	–	–
Welsh Government Grant	–	–	–
	<u>207,669</u>	<u>10,145</u>	<u>232,581</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
Donations	183,042	–	183,042
Donations for the diseased trustee	–	–	–
<b>Grants</b>			
Covid-19 Grant	20,000	–	20,000
Welsh Government Grant	250,000	–	250,000
	<u>453,042</u>	<u>–</u>	<u>453,042</u>

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

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Activity	<u>45,748</u>	<u>47,050</u>	<u>41,335</u>	<u>41,335</u>



# AL-Ikhlas Culture and Education Centre

## Notes to the Financial Statements (continued)

Year ended 31 March 2022

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

Activity	Activities undertaken directly £	Total funds 2022 £	Total fund 2021 £
	47,050	47,050	41,335

### 7. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	42	53
Funeral Services	-	2,310

### 8. Staff costs

The average head count of employees during the year was Nil (2021: Nil).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

### 9. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2021	693,518	444	693,962
Additions	353,864	-	353,864
<b>At 31 March 2022</b>	<b>1,047,382</b>	<b>444</b>	<b>1,047,826</b>
<b>Depreciation</b>			
At 1 April 2021	-	232	232
Charge for the year	-	42	42
<b>At 31 March 2022</b>	<b>-</b>	<b>274</b>	<b>274</b>
<b>Carrying amount</b>			
<b>At 31 March 2022</b>	<b>1,047,382</b>	<b>170</b>	<b>1,047,552</b>
At 31 March 2021	693,518	212	693,730

# AL-Ikhlas Culture and Education Centre

## Notes to the Financial Statements (continued)

Year ended 31 March 2022

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

	2022 £	2021 £
Accruals and deferred income	—	<u>1,177</u>

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

	2022 £	2021 £
Karz e Hassana	<u>116,000</u>	<u>80,000</u>

### 12. Government grants

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

	2022 £	2021 £
Recognised in income from donations and legacies:		
Government grants income	—	<u>250,000</u>

### 13. Analysis of charitable funds

#### Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>809,300</u>	<u>207,669</u>	<u>(45,748)</u>	<u>971,221</u>

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	<u>397,593</u>	<u>453,042</u>	<u>(41,335)</u>	<u>809,300</u>

#### Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted Fund	<u>—</u>	<u>10,145</u>	<u>—</u>	<u>10,145</u>

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted Fund	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

## **Management Information**

**Year ended 31 March 2022**

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

# AL-Ikhlas Culture and Education Centre

## Detailed Statement of Financial Activities

Year ended 31 March 2022

	2022 £	2021 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Donations	222,436	183,042
Donations for the diseased trustee	10,145	—
Covid-19 Grant	—	20,000
Welsh Government Grant	—	250,000
	<u>232,581</u>	<u>453,042</u>
<b>Total income</b>	<u>232,581</u>	<u>453,042</u>
<b>Expenditure</b>		
<b>Expenditure on charitable activities</b>		
Volunteer Expense	13,840	10,840
Bank Charges	26	—
Funeral Services	—	2,310
Rent - 92 Broadway	4,800	7,200
Rates & Water	1,351	5,006
Light & Heat	3,105	1,848
Repairs & maintenance	2,485	734
Insurance	554	—
Food Expense (Feeding Refugees)	5,236	11,312
Travel & Subsistence	1,697	480
Donation / Zakat	400	700
Telephone	336	—
Depreciation	42	53
Ramadan Iftar	10,825	—
Printing, Stationary & Postage	138	110
Sundry Expenses	1,736	70
Cleaning and Refuse	479	672
	<u>47,050</u>	<u>41,335</u>
<b>Total expenditure</b>	<u>47,050</u>	<u>41,335</u>
<b>Net income</b>	<u>185,531</u>	<u>411,707</u>



# AL-Ikhlas Culture and Education Centre

## Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2022

	2022 £	2021 £
<b>Expenditure on charitable activities</b>		
<b>Activity</b>		
<i>Activities undertaken directly</i>		
Volunteer Expense	13,840	10,840
Bank Charges	26	—
Funeral Services	—	2,310
Rent - 92 Broadway	4,800	7,200
Rates & Water	1,351	5,006
Light & Heat	3,105	1,848
Repairs & maintenance	2,485	734
Insurance	554	—
Food Expense (Feeding Refugees)	5,236	11,312
Travel & Subsistence	1,697	480
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Telephone	336	—
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