

AL-Ikhlas Culture and Education Centre
Unaudited Financial Statements
For the year ended
31 March 2023

SAK2020 LTD.

Chartered Certified Accountants
Broadway House
Broadway
Cardiff
CF24 1PU

AL-Ikhlas Culture and Education Centre

Financial Statements

Year ended 31 March 2023

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AL-Ikhlās Culture and Education Centre

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2023

The trustees, who are also the directors for the purposes of company law, 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 AL-Ikhlās Culture and Education Centre

Charity registration number 1172035

Company registration number 1172035

Principal office and registered office 16 Bayside Road
Cardiff
CF24 5NA
UK

The trustees

Mr A Taha
Mr A A Jalal

Independent examiner 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 (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

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.

Building work at 88/90 Broadway was completed and centre was opened for worshipper in July 2022. An opening ceremony was held.

Plans for the future

Building work at 88/90 Broadway is now completed. The AL-Ikhlas Culture and Education Centre is trying to raise funds to improve 92 Broadway. The plan is to re-build 92 Broadway so that it is merged with the new building. 92 Broadway will be used for ladies activities.

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 07/06/2023 and signed on behalf of the board of trustees by:



Mr A Taha
Trustee



Mr A A Jalal
Trustee

AL-Ikhlās Culture and Education Centre

Independent Examiner's Report to the Trustees of AL-Ikhlās Culture and Education Centre

Year ended 31 March 2023

We report to the trustees on our examination of the financial statements of AL-Ikhlās Culture and Education Centre ('the charity') for the year ended 31 March 2023.

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 our 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 ourselves that the charity is not subject to audit under company law and is eligible for independent examination, it is our 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 our attention.

Independent examiner's statement

We have completed our examination. We confirm that no matters have come to our attention in connection with the examination giving us 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).

We 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

7th June 2023

AL-Ikhlas Culture and Education Centre

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		2023		2022
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	244,623	229,623	232,581
Total income		<u>244,623</u>	<u>229,623</u>	<u>232,581</u>
Expenditure				
Expenditure on charitable activities	5,6	72,824	94,734	47,050
Total expenditure		<u>72,824</u>	<u>94,734</u>	<u>47,050</u>
Net income and net movement in funds		<u>171,799</u>	<u>134,889</u>	<u>185,531</u>
Reconciliation of funds				
Total funds brought forward		994,831	994,831	809,300
Total funds carried forward		<u>1,166,630</u>	<u>1,166,630</u>	<u>981,366</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 6 to 10 form part of these financial statements.

AL-Ikhlas Culture and Education Centre

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	9	1,156,483	1,047,552
Current assets			
Cash at bank and in hand		54,237	63,279
Net current assets		54,237	63,279
Total assets less current liabilities		1,210,720	1,110,831
Creditors: amounts falling due after more than one year	10	81,000	116,000
Net assets		<u>1,129,720</u>	<u>994,831</u>
Funds of the charity			
Restricted funds		–	10,145
Unrestricted funds		1,166,630	971,221
Total charity funds	11	<u>1,166,630</u>	<u>981,366</u>

For the year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

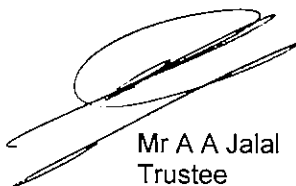
- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation 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 07/06/2023....., and are signed on behalf of the board by:



Mr A Taha
Trustee



Mr A A Jalal
Trustee

The notes on pages 6 to 10 form part of these financial statements.

AL-Ikhlas Culture and Education Centre

Notes to the Financial Statements

Year ended 31 March 2023

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 2023

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.

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.

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.

AL-Ikhlas Culture and Education Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

2. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

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.

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.

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.

AL-Ikhlas Culture and Education Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations	206,625	–	159,345
Other Donations	–	–	32,280
Donations for the deceased trustee	–	–	–
Gift Aid	37,998	–	37,998
	<u>244,623</u>	<u>–</u>	<u>229,623</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	207,669	–	222,436
Other Donations	–	–	–
Donations for the deceased trustee	–	10,145	10,145
Gift Aid	–	–	–
	<u>207,669</u>	<u>10,145</u>	<u>232,581</u>

4. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Activity type 1	<u>72,824</u>	<u>94,734</u>	<u>45,748</u>	<u>47,050</u>

5. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2023 £	Total fund 2022 £
Activity type 1	<u>94,734</u>	<u>94,734</u>	<u>47,050</u>

6. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>11,345</u>	<u>42</u>

7. Staff costs

The average head count of employees during the year was Nil (2022: Nil).

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

AL-Ikhlas Culture and Education Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

8. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	1,047,382	444	1,047,826
Additions	63,716	56,560	120,276
At 31 March 2023	1,111,098	57,004	1,168,102
Depreciation			
At 1 April 2022	—	274	274
Charge for the year	—	11,345	11,345
At 31 March 2023	—	11,619	11,619
Carrying amount			
At 31 March 2023	1,111,098	45,385	1,156,483
At 31 March 2022	1,047,382	170	1,047,552

9. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Karz e Hassana	81,000	116,000

10. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
General funds	994,831	244,623	(72,824)	1,166,630

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

AL-Ikhlas Culture and Education Centre

Management Information

Year ended 31 March 2023

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 2023

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Donations	159,345	222,436
Other Donations	32,280	—
Donations for the deceased trustee	—	10,145
Gift Aid	37,998	—
	<u>229,623</u>	<u>232,581</u>
Total income	<u>229,623</u>	<u>232,581</u>
Expenditure		
Expenditure on charitable activities		
Volunteer Expense	16,240	13,840
Bank Charges	273	26
Rent - 92 Broadway	—	4,800
Rates & Water	3,649	1,351
Light & Heat	6,800	3,105
Repairs & maintenance	10,744	2,485
Insurance	990	554
Food Expense (Feeding Refugees)	23,621	5,236
Travel & Subsistence	650	1,697
Donation / Zakat	2,795	400
Telephone & Internet	445	336
Depreciation	11,345	42
Ramadan Iftar	14,989	10,825
Printing, Stationery & Postage	260	138
Sundry Expenses	1,215	1,736
Cleaning and Refuse	718	479
	<u>94,734</u>	<u>47,050</u>
Total expenditure	<u>94,734</u>	<u>47,050</u>
Net income	<u>134,889</u>	<u>185,531</u>

AL-Ikhlas Culture and Education Centre

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2023

	2023 £	2022 £
Expenditure on charitable activities		
Activity type 1		
<i>Activities undertaken directly</i>		
Volunteer Expense	16,240	13,840
Bank Charges	273	26
Rent - 92 Broadway	—	4,800
Rates & Water	3,649	1,351
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