

ISLAMIC ASSOCIATION OF NORTH LONDON

England & Wales · Charity number 1173839

Details

Status Registered

Legal form CIO

Registered 2017-07-17

Register [View on the Charity Commission register](#)

Contact

Address 685 High Road
North Finchley
London
N12 0DA

Phone 02084920028

Email info@ianl.org.uk

Website www.ianl.org.uk

Activities

Objects: A. ADVANCEMENT OF RELIGION IN ACCORDANCE WITH THE TENETS, PHILOSOPHY IDEOLOGY AND TRADITIONS OF ISLAM.B. ADVANCEMENT OF EDUCATION AND RELIGIOUS TEACHING THROUGH LECTURES, STRUCTURED CLASSES AND YOUTH SERVICES IN ACCORDANCE WITH THE TENETS AND TEACHINGS OF ISLAM.C. RELIEF OF SUCH MEMBERS OF THE COMMUNITY WHO ARE POOR AND IN DISTRESS IN ACCORDANCE WITH THE TENETS, PHILOSOPHY, IDEOLOGY AND TEACHINGS OF ISLAM.

Activities: PROVISION OF MOSQUE FACILITIES
SUPPLEMENTARY SCHOOL FOR CHILDREN
SOCIAL AND CULTURAL EVENTS
INTER-FAITH DIALOGUE
SCHOOL VISITS

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Disability, Religious Activities, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Children/young People, Elderly/old People

Geography

- Barnet

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,462,946	£528,706	£6,708,409	18
2024-03-31	£842,553	£430,059	£5,774,169	18
2023-03-31	£657,863	£331,147	£5,486,675	15
2022-03-31	£509,132	£230,415	£5,164,639	16
2021-03-31	£773,194	£224,496	£4,654,258	20

Trustees

Name	Role	Appointed
FAISAL HABIB	Chair	2018-01-12
Athar Hussain		2026-01-18
Dr Pratik Ausaf Sufi		2024-01-28
Kazi Furkan Shahabuddin		2020-01-25
MOHAMED ABANUR		2020-01-25
MR MOHAMMED BASIT		2018-01-12
Mounir Adimi		2024-01-28
NURUL ALAM		2018-01-12
SHEHU SULEIMAN		2018-01-12
Tehmur Khan		2018-01-12

ISLAMIC ASSOCIATION OF NORTH LONDON

England & Wales - Charity number 1173839

Accounts

ISLAMIC ASSOCIATION OF NORTH LONDON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025



ISLAMIC ASSOCIATION OF NORTH LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr M Abanur
Mr M Abdul Basit
Mr N Alam
Mr F Habib
Mr T Khan
Dr U Khan-Cheema (President)
Mr F Shahabuddin
Mr S Suleiman
Dr P A Sufi
Mr M Adimi

Charity number

1173839

Registered office

685 High Road
North Finchley
London
N12 0DA

Auditor

SBM Associates Limited
Freedman House
Christopher Wren Yard
117 High Street
Croydon
CR0 1QG

ISLAMIC ASSOCIATION OF NORTH LONDON

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ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects of the Charitable Incorporated Organisation (CIO), as laid out in its constitution, are:

- Advancement of religion in accordance with the tenets, philosophy, ideology and traditions of Islam;
- Advancement of education and religious teaching through lectures, structured classes and youth services in accordance with the tenets and teachings of Islam; and
- Relief of such members of the community who are poor and in distress in accordance with the tenets, philosophy, ideology and teachings of Islam.

The trustees have paid due regard to guidance on the public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The demand for the core services of IANL continues to rise by the fact that it serves an increasing Muslim community covering a wide geographical area in the London Borough of Barnet. It is a diverse community originating from a variety of ethnicities and cultures.

IANL provides facilities for all the daily prayers and is open to the public seven days a week. The prayer facilities are used for the large congregational prayers held on Fridays, during Ramadan and on other important occasions such as the two festivals of Eid.

Achievements and performance

Community Briefing Sessions

IANL holds meetings with members of the community for feedback and suggestions on various charitable initiatives. The sessions also give the community the opportunity to receive updates of the status of ongoing projects and how they can get involved.

Emergency appeals

From time to time IANL hosts external charities to help them fundraise for natural disasters in other parts of the world. This gives an opportunity for the community at IANL to make a difference beyond their locality.

Financial Aid

IANL continues to provide grants to Muslims of Barnet who are in poverty for basic essentials such as shelter, rent, furniture, utility bills, food, clothing, debt relief etc. These grants bring temporary relief from financial strains and enable people to get on the path to being financially independent. During the year, IANL had a number of successful grant applications which have made a significant impact on the applicants' quality of life and their physical and mental wellbeing.

Hot Food Hub

IANL's Hot Food Hub service began on 31st January 2024 and is a weekly service that provides an opportunity to collect cooked meals once a week (pre-packaged, ready to take home) at IANL for the benefit of individuals and their family. This service is open to anyone in our community who can benefit from a small helping hand during the current cost of living crisis.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Matrimonial Service

IANL continues to provide a matrimonial service to help Muslim men and women in their search for a spouse, recognising that marriage is the bedrock of the community and a fundamental part of the Islamic faith. Participants must go through a sign-up process, that includes vetting, before being added onto the matrimonial portal.

IANL Extension

The extension to the front of IANL premises has been completed to first floor level. Works to complete the remainder of the structure at the front have commenced. The project is phased to facilitate the raising of funds in discrete stages and also to ensure the works do not adversely affect the daily operations of IANL. Fundraising is underway for the next stages - to make the front structure fully watertight

Reverts Circle

IANL has been hosting a monthly Reverts Circle since Sep 2022 to cater for the growing community of new Muslims in Barnet. The Reverts Circle has 3 aims: (1) provide a space where reverts can learn about the faith in a tolerant and supportive manner; (2) create an environment where they feel comfortable in and connected to a Masjid; and (3) fulfil the social needs of new Muslims through providing companionship for them in their journey of faith.

As part of the Reverts Circle activities, IANL arranged a trip for the revert community to Cambridge Masjid and has recently produced its own "Welcome To Islam" pack to guide reverts through the early transitional period after taking shahadah.

Non-Muslims who have expressed an interest in Islam and have reached out to the Mosque with questions are also selectively invited to attend the Circle.

Volunteering

IANL acknowledges the remarkable efforts of its volunteers, who dedicate their time and energy to support the local community and elevate IANL's impact. To streamline the process of engaging with community activities and services, a new volunteer portal has been launched. This portal has significantly benefited various projects, including those during Ramadan and Eid. The dedication and skills of volunteers are crucial to the ongoing success of IANL's operations, and their contributions are celebrated at the annual volunteer dinners.

Youth Activities

IANL is an organisation that organises, delivers, and promotes various youth programs to engage and empower young people in the local area. It runs various events and programs strategically chosen to aid development in critical areas. Martial Arts classes for boys and girls have been especially successful in the recent period.

IANL has secured funding for a dedicated Youth Coordinator for the next 3 years to help drive this initiative forward. We are currently recruiting for this role.

IANL has also helped to establish a community Scout group, 1st North Finchley (IANL) Scouts, for the youth in our IANL community. There are Scout Groups for both Boys and Girls aged 10-14, with a view to expanding this in the future. The aim is to teach meaningful life skills in an environment that is safe yet fun.

Mini Muslims Playgroup

IANL runs a weekly playgroup during term-time for mothers and children. IANL offers a platform for children to learn through play, whilst also offering mothers an important support network during a critical phase in their lives. IANL provides toys, activities, stories and most of all lots of fun for children in an atmosphere aligning with Islamic values.

School Visits

The study of major world religions is an integral component of the school curriculum. To support this educational objective, IANL extends invitations to local schools for guided tours of the mosque, accompanied by comprehensive presentations on Islam and its core principles.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Online services

IANL remains committed to offering valuable content online via streaming platforms and social media, ensuring they stay connected with the community regardless of location. The organization boasts a rich array of content from its Imams and guest speakers, which the community can access and benefit from. Additionally, playlists have been created to regularly share content, providing ongoing updates for everyone's benefit.

As IANL embarks on a Redevelopment project, it has also undertaken a large rebranding project to update its look and feel via the introduction of a new logo and brand guidelines. We hope this will align more closely with our new Redevelopment project.

Eid in the Park

The Islamic Association of North London (IANL) organized Eid in the Park, an annual event where Muslims in Barnet come together for prayers on Eid, which occurs twice a year. Thousands gathered at Glebelands Nature Reserve in Finchley to pray collectively, showcasing solidarity and unity. It was a proud moment for the entire Barnet community.

IANL Academy

IANL Academy was established to meet the growing needs of the community. IANL Academy offers structured and meaningful Islamic education for learners aged 6-18, and it has been steadily developing the quality of educational provision for children and young people.

The Academy has 150 pupils on roll, divided into two teaching cohorts. There are 10 staff members including a Headteacher, a dedicated administrator, and a diverse group of volunteers. All personnel have access to training and self-development programs from which they can build their skills and work portfolio. We also have our own dedicated security personnel present for the entire duration, ensuring a safe and secure environment for all.

The main objectives of the Academy are:

1. To provide a safe space for children to connect to their religion.
2. To help young Muslims develop confidence in their faith and their place within the wider community.
3. To provide a sense of community to all who are part of the Academy: staff, volunteers, pupils, and parents.

The Academy operates within a fee-based structure to cover its costs; however, there is a built-in allowance for several places to be subsidised through financial aid for those who are eligible.

Financial review

The results of IANL are shown in the attached financial statements. The net surplus for the year was £934,240 (2024: £287,494) as detailed in the Statement of Financial Activities.

At the end of the year total reserves were £6,708,409 (2024: £5,774,169), of which £5,095,959 (2024: £4,635,610) can only be realised by disposing of tangible fixed assets.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of charity's unrestricted expenditure, net of fixed investment income. The trustees consider that, in the event of a downturn in the receipt of donations, this level will provide necessary funds to ensure that support and governance costs are covered. The trustees consider that this level is sufficient, given the continuing returns from the investments and as the giving of donations' tradition is strong in the community of such a faith-based organisation.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Principal funding sources

The principal funding sources for the unrestricted funds are the general collections, standing orders, gift aid and investment income. In addition, IANL has collected restricted funds for the extension appeal as well as restricted Sadaqah, Zakat, Fitra and Fidyah funds which have been used towards providing financial aid as disclosed further in the Trustees' Report.

Fundraising from individuals is carefully controlled following internal processes and all public donations involve individuals directly approaching the charity. No undue pressure has been placed on any individual to donate to the charity.

Investment policy and objectives

IANL operates an investment policy to grow the assets so that returns can be used to further its aims as set out in the constitution document, as well as to meet the Charity's costs. The investment level of the Charity is determined by the Board of Trustees, weighing all the appropriate options and being cognisant of IANL's risk appetite which is low, and in the pursuit of IANL's long and short term objectives as set and reviewed by the Board of Trustees from time to time.

IANL properties

At the year end, IANL had invested approximately £2.850m in income generating residential properties, yielding a return of approximately 4.9% on year end value.

The residential properties, currently owned by IANL, are in close vicinity to the main mosque building.

Two of the properties are currently in the names of trustees and former trustees. These are held under legally binding contracts and trust deeds. It is expected that these remaining properties will be transferred to IANL CIO over a period of time.

Risk Management

The trustees and management of IANL believe that sound risk management is integral to both good management and good governance practice. Risk management forms an integral part of the charity's decision-making and is incorporated within strategic and operational planning. Risk assessment will be conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission. Any risks or opportunities arising will be identified, analysed and reported at an appropriate level. A risk register covering key strategic risks is being drafted and will be maintained and updated regularly and more frequently where risks are known to be volatile. A more detailed IANL operational risk register has been drafted and will be maintained by Operations in aspects where this is considered appropriate. IANL will regularly review and monitor the effectiveness of its risk management framework and update it as necessary and considered appropriate. The next review is scheduled for Q3 2025.

Structure, governance and management

The charity is a charitable incorporated organisation (CIO).

The charity trustees manage the affairs of the CIO. There must be at least seven and not more than ten charity trustees appointed at a Biennial AGM. The charity trustees may at any time appoint a new charity trustee ("Co-opted Charity Trustee") provided the number of trustees does not exceed fifteen.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The day to day running of IANL is carried out by the Operations function managed by the IANL Director.

In setting staff salaries, the Trustees consider factors including but not limited to IANL's purpose and values, long term sustainability, staff feedback, and market and competitor rates.

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

Mr M Abanur

Mr M Abdul Basit

Mr N Alam

Mr F Habib

Mr T Khan

Dr U Khan-Cheema (President)

Mr F Shahabuddin

Mr S Suleiman

Dr P A Sufi

Mr M Adimi

All Trustees give of their time freely and no Trustees received remuneration or incurred any expenses in the year.

Trustee appointments

Trustees stand for election at an AGM every 2 years. Ballot papers are prepared following receipt of nominations from members of the CIO and the election is overseen by an independent election commissioner. A maximum of 10 Trustees can be appointed at each election. The next Election is scheduled to be held during the 2026 AGM.

The election commissioner also oversees the election of the President by members of the CIO at the same AGM. Candidates for President must have been elected as a Trustee.

Prior to their appointment, trustees attend an introductory session on the responsibilities and expectations of a trustee at IANL. They are made aware of the aims and objectives of the charity, policies and procedures as well as characteristics and behaviours expected of them when conducting their work at IANL. They are then paired with an existing trustee to help adjust to IANL working practices.

The trustees' report was approved by the Board of Trustees.

Mr Tehmur Khan

Trustee

12 November 2025

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

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

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

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Opinion

We have audited the financial statements of Islamic Association of North London (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach was as follows:

To identify risks of material misstatement due to irregularities we assessed events or conditions that could lead to irregularities. Our risk assessment procedures included:

- Enquiring of Trustees and management and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect irregularities, as well as whether they have knowledge of any actual, suspected, or alleged fraud or breaches of relevant laws and regulations.
- Reading Board minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the Trustees and management (as required by auditing standards). We communicated with the Trustees and management the policies and procedures in place regarding compliance with laws and regulations.

We identified the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the Charities Act 2011, The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the SORP), and relevant tax legislation.

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. We identified the following areas as those most likely to have such an effect: health and safety and employment law, recognising the nature of the Charity's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit cannot be relied upon to detect that breach.

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

As required by auditing standards and considering possible pressures to meet internal key performance indicators and our knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the incorrect accounting period and the risk that management may be able to make inappropriate accounting entries.

We assessed the risks of material misstatement in respect of fraud as follows:

- Our audit team discussed whether there were any areas that were susceptible to misstatement as part of our discussion on fraud;
- We challenged assumptions and judgements made by management in their significant accounting estimates and judgements.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including, designing appropriate audit procedures, including:

- Incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation;
- Inspecting the relevant income agreements and their accounting to confirm their recognition in line with the SORP for different revenue streams;
- Obtaining third party bank confirmations; and
- Assessing the design and effectiveness of controls in place over areas such as procurement and cash.

We considered the extent to which the audit was considered capable of detecting irregularities: There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>.

This description forms part of our auditor's report.

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Use of our report

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

SBM Associates Limited

14 November 2025

**Chartered Accountants
Statutory Auditor**

Freedman House
Christopher Wren Yard
117 High Street
Croydon
CR0 1QG

SBM Associates Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	3	360,095	856,819	1,216,914	340,117	288,322	628,439
Charitable activities	4	88,287	-	88,287	70,693	-	70,693
Investments	5	157,745	-	157,745	143,421	-	143,421
Total income		<u>606,127</u>	<u>856,819</u>	<u>1,462,946</u>	<u>554,231</u>	<u>288,322</u>	<u>842,553</u>
Expenditure on:							
Raising funds	6	-	67,582	67,582	-	-	-
Charitable activities	6	355,398	105,726	461,124	358,262	71,797	430,059
Total expenditure		<u>355,398</u>	<u>173,308</u>	<u>528,706</u>	<u>358,262</u>	<u>71,797</u>	<u>430,059</u>
Net gains/(losses) on investments	11	-	-	-	(125,000)	-	(125,000)
Net income		<u>250,729</u>	<u>683,511</u>	<u>934,240</u>	<u>70,969</u>	<u>216,525</u>	<u>287,494</u>
Transfers between funds	18	422,079	(422,079)	-	673,262	(673,262)	-
Net movement in funds	8	<u>672,808</u>	<u>261,432</u>	<u>934,240</u>	<u>744,231</u>	<u>(456,737)</u>	<u>287,494</u>
Reconciliation of funds:							
Fund balances at 1 April 2024		<u>5,151,142</u>	<u>623,027</u>	<u>5,774,169</u>	<u>4,406,911</u>	<u>1,079,764</u>	<u>5,486,675</u>
Fund balances at 31 March 2025		<u>5,823,950</u>	<u>884,459</u>	<u>6,708,409</u>	<u>5,151,142</u>	<u>623,027</u>	<u>5,774,169</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

ISLAMIC ASSOCIATION OF NORTH LONDON

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	13	2,245,959		1,785,610	
Investment properties	14	2,850,000		2,850,000	
		<u>5,095,959</u>		<u>4,635,610</u>	
Current assets					
Debtors	15	411,772		360,675	
Cash at bank and in hand		1,294,651		817,963	
		<u>1,706,423</u>		<u>1,178,638</u>	
Creditors: amounts falling due within one year	16	<u>(93,973)</u>		<u>(40,079)</u>	
Net current assets		1,612,450		1,138,559	
Total assets less current liabilities		<u>6,708,409</u>		<u>5,774,169</u>	
Income funds					
Restricted funds	18	884,459		623,027	
Unrestricted funds		5,823,950		5,151,142	
		<u>6,708,409</u>		<u>5,774,169</u>	

The financial statements were approved by the Trustees on 12 November 2025

Dr U Khan-Cheema (President)
Trustee

Mr F Shahabuddin
Trustee

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	21		791,412		73,845
Investing activities					
Purchase of tangible fixed assets		(472,469)		(578,092)	
Investment income received		157,745		143,421	
Net cash used in investing activities			(314,724)		(434,671)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			476,688		(360,826)
Cash and cash equivalents at beginning of year			817,963		1,178,789
Cash and cash equivalents at end of year			1,294,651		817,963

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Islamic Association of North London is a Charitable Incorporated Organisation(CIO). The registered office address is 685 High Road, North Finchley, London, N12 0DA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Freehold buildings	2% on cost
Fixtures and fittings	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	360,095	822,819	1,182,914	340,117	288,322	628,439
Grants	-	34,000	34,000	-	-	-
	<u>360,095</u>	<u>856,819</u>	<u>1,216,914</u>	<u>340,117</u>	<u>288,322</u>	<u>628,439</u>
Donations and gifts						
Donations and gifts	271,586	130,882	402,468	300,601	95,510	396,111
Membership fees	1,650	-	1,650	1,700	-	1,700
Gift Aid	86,859	-	86,859	37,816	-	37,816
Extension Fund	-	687,086	687,086	-	191,755	191,755
Other income	-	4,851	4,851	-	1,057	1,057
	<u>360,095</u>	<u>822,819</u>	<u>1,182,914</u>	<u>340,117</u>	<u>288,322</u>	<u>628,439</u>

4 Income from charitable activities

	Other income 2025 £	Madrasah Fees 2025 £	Total 2025 £	Other income 2024 £	Madrasah Fees 2024 £	Total 2024 £
Ancillary income	<u>29,569</u>	<u>58,718</u>	<u>88,287</u>	<u>16,451</u>	<u>54,242</u>	<u>70,693</u>
Analysis by fund						
Unrestricted funds	<u>29,569</u>	<u>58,718</u>	<u>88,287</u>	<u>16,451</u>	<u>54,242</u>	<u>70,693</u>

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	140,244	121,858
Other income	17,501	21,563
	<u>157,745</u>	<u>143,421</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

6 Charitable activities

	Charitable grant funding of activities 2025 £	Charitable grant funding of activities 2024 £
Staff costs	182,621	189,376
Depreciation	12,121	11,557
Bank charges	3,207	4,140
Cleaning materials & waste collection	4,372	3,836
Computer and software expenses	2,002	1,101
Events, food costs and ancillary activities	6,786	7,727
Madrassah, youth & reverts expenses	19,037	13,597
Legal & Professional	1,593	1,593
Insurance	4,263	2,664
Investment property expenses	25,317	26,390
Light, heat and power for main premises	21,043	20,955
Printing, postage and stationery	1,438	1,672
Water rates	4,276	3,068
Repairs and maintenance on main premises	4,321	4,586
Ramadan expenses	35,900	28,497
Telephone and broadband	459	427
Other charitable expenditure	4,455	9,015
Security costs	15,569	-
Marketing	-	21,245
	<u>348,780</u>	<u>351,446</u>
Grant funding of activities (see note 7)	105,726	71,797
Fundraising costs	67,582	-
Governance costs	6,618	6,816
	<u>528,706</u>	<u>430,059</u>
Analysis by fund		
Unrestricted funds	355,398	358,262
Restricted funds	173,308	71,797
	<u>528,706</u>	<u>430,059</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Grants payable

	Charitable grant funding of activities 2025 £	Charitable grant funding of activities 2024 £
Grants to individuals and organisations	105,726	71,797
	<u>105,726</u>	<u>71,797</u>

Included in the total for grant payable is £8.080 (2024: £9,920) for grant related expenditure.

8 Net movement in funds	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	6,618	6,816
Depreciation of owned tangible fixed assets	<u>12,121</u>	<u>11,557</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or incurred any expenses during the year.

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	<u>18</u>	<u>18</u>
Employment costs	2025 £	2024 £
Wages and salaries	175,991	182,438
Social security costs	5,592	5,888
Other pension costs	<u>1,038</u>	<u>1,050</u>
	<u>182,621</u>	<u>189,376</u>

There were no employees whose annual remuneration was more than £60,000.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

11 Net gains on investments

	Total	Unrestricted funds	Restricted funds	Total
	2025	2024	2024	2024
	£	£	£	£
Net gains/(losses) on investment	-	(125,000)	-	(125,000)

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Freehold buildings	Assets under construction	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2024	1,109,434	717,575	31,969	1,858,978
Additions	-	472,079	390	472,469
At 31 March 2025	1,109,434	1,189,654	32,359	2,331,447
Depreciation and impairment				
At 1 April 2024	53,932	-	19,435	73,367
Depreciation charged in the year	8,989	-	3,132	12,121
At 31 March 2025	62,921	-	22,567	85,488
Carrying amount				
At 31 March 2025	1,046,513	1,189,654	9,792	2,245,959
At 31 March 2024	1,055,502	717,574	12,534	1,785,610

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

14 Investment property

2025

£

Fair value

At 1 April 2024 and 31 March 2025

2,850,000

Investment property comprises freehold and long leasehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2025 by a local estate agent. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2025 £	2024 £
Freehold	2,150,000	2,150,000
Long leasehold	700,000	700,000
	<u>2,850,000</u>	<u>2,850,000</u>

15 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Qard Hasana loans	300,000	300,000
Other debtors	21,368	10,117
Prepayments and accrued income	90,404	50,558
	<u>411,772</u>	<u>360,675</u>

A Qard Hasana loan was made to another charity, not connected to the Islamic Association of North London. At the year end, the loan balance of £250,000 (2024: £300,000) is unsecured, interest free and repayable within a year.

A Qard Hasana loan of £100,000 was made during the year to another charity, with a common Trustee. At the year end, the loan balance of £50,000 (2024: £Nil) is unsecured, interest free and repayable within a year.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

16 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	1,533	3,083
Other creditors	46,314	18,979
Accruals and deferred income	46,126	18,017
	<u>93,973</u>	<u>40,079</u>

Included in other creditors is an amount of £22,000 (2024: £17,000) relating to Qard Hasana loans which are unsecured, interest free and repayable on demand.

17 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,038</u>	<u>1,050</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds					Movement in funds			
	Balance at 1 April 2023	Incoming resources	Resources expended	Transfers	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 31 March 2025
	£	£	£	£	£	£	£	£	£
Extension Fund	1,178,667	191,755	(1,280)	(573,262)	795,881	687,086	(67,582)	(472,079)	943,306
Grants	9,000	-	(9,920)	-	(920)	34,000	(8,080)	-	25,000
Zakat and Sadaqa funds	92,097	96,567	(60,598)	-	128,066	135,733	(97,646)	-	166,153
Temporary Unrestriction	(200,000)	-	-	(100,000)	(300,000)	-	-	50,000	(250,000)
	<u>1,079,764</u>	<u>288,322</u>	<u>(71,798)</u>	<u>(673,262)</u>	<u>623,027</u>	<u>856,819</u>	<u>(173,308)</u>	<u>(422,079)</u>	<u>884,459</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	2,245,959	-	2,245,959
Investment properties	2,850,000	-	2,850,000
Current assets/(liabilities)	727,991	884,459	1,612,450
	<u>5,823,950</u>	<u>884,459</u>	<u>6,708,409</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	1,785,610	-	1,785,610
Investment properties	2,850,000	-	2,850,000
Current assets/(liabilities)	515,532	623,027	1,138,559
	<u>5,151,142</u>	<u>623,027</u>	<u>5,774,169</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

21 Cash generated from operations

	2025 £	2024 £
Surplus for the year	934,240	287,494
Adjustments for:		
Investment income recognised in statement of financial activities	(157,745)	(143,421)
Fair value gains and losses on investments	-	125,000
Depreciation and impairment of tangible fixed assets	12,121	11,557
Movements in working capital:		
(Increase) in debtors	(51,097)	(214,178)
Increase in creditors	53,894	7,394
Cash generated from operations	<u>791,412</u>	<u>73,846</u>

22 Analysis of changes in net funds

The charity had no material debt during the year.

Accounts

ISLAMIC ASSOCIATION OF NORTH LONDON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



ISLAMIC ASSOCIATION OF NORTH LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr M Abanur
Mr M Abdul Basit
Mr N Alam
Mr F Habib
Mr T Khan
Dr U Khan-Cheema (President)
Mr F Shahabuddin
Mr S Suleiman
Dr P A Sufi (Appointed 28 January 2024)
Mr M Adimi (Appointed 28 January 2024)

Charity number

1173839

Registered office

685 High Road
North Finchley
London
N12 0DA

Auditor

SBM Associates Limited
24 Wandsworth Road
London
SW8 2JW

ISLAMIC ASSOCIATION OF NORTH LONDON

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ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects of the Charitable Incorporated Organisation (CIO), as laid out in its constitution, are:

- Advancement of religion in accordance with the tenets, philosophy, ideology and traditions of Islam;
- Advancement of education and religious teaching through lectures, structured classes and youth services in accordance with the tenets and teachings of Islam; and
- Relief of such members of the community who are poor and in distress in accordance with the tenets, philosophy, ideology and teachings of Islam.

The trustees have paid due regard to guidance on the public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The demand for the core services of IANL continues to rise by the fact that it serves an increasing Muslim community covering a wide geographical area in the London Borough of Barnet. It is a diverse community originating from a variety of ethnicities and cultures.

IANL provides facilities for all the daily prayers and is open to the public seven days a week. The prayer facilities are used for the large congregational prayers held on Fridays, during Ramadan and on other important occasions such as the two festivals of Eid.

Achievements and performance

[Community Briefing Sessions](#)

IANL regularly holds meetings with members of the community for feedback and suggestions on charitable initiatives to be introduced. The sessions also give the community the opportunity to receive updates of the status of ongoing projects and how they can get involved.

[Emergency appeals](#)

From time to time IANL hosts external charities to help them fundraise for natural disasters in other parts of the world. This gives an opportunity for the community at IANL to make a difference in places where IANL does not operate.

[Financial Aid](#)

IANL continues to provide grants to Muslims of Barnet who are in poverty for basic essentials such as shelter, rent, furniture, utility bills, food, clothing, debt relief etc. These grants bring temporary relief from financial strains and enable people to get on the path to being financially independent. During the year, IANL had a number of successful grant applications which have made a significant impact on the applicants' quality of life and their physical and mental wellbeing.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Matrimonial Service

IANL continues to provide a matrimonial service to help Muslim men and women in their search for a spouse recognising that marriage is the bedrock of the community and a fundamental part of the Islamic faith. Participants must go through a sign-up process before being added onto the matrimonial portal.

IANL Extension

Groundworks and foundations have been completed and contractors are well on the way to completing structural works to first floor level. The project is phased to facilitate the raising of funds in discrete packages and also to ensure the works do not adversely affect the daily operations of IANL. Fundraising is underway for the next phase - to build a fully watertight structure.

Reverts Circle

IANL has been hosting a monthly Reverts Circle since Sep 2022 to cater for the growing community of new Muslims in Barnet. The Reverts Circle has 3 aims: (1) provide a space where reverts can learn about the faith in a tolerant and supportive manner; (2) create an environment where they feel comfortable in and connected to a Masjid; and (3) fulfil the social needs of new Muslims through providing companionship for them in their journey of faith.

As part of the Reverts Circle activities, IANL arranged a trip for the revert community to Cambridge Masjid and has recently produced its own "Welcome To Islam" pack to guide reverts through the early transitional period after taking shahadah.

Non-Muslims who have expressed an interest in Islam and have reached out to the Mosque with questions are also selectively invited to attend the Circle. Several of these attendees have subsequently taken shahadah at / after the gathering.

Volunteering

IANL acknowledges the remarkable efforts of its volunteers, who dedicate their time and energy to support the local community and elevate IANL's impact. To streamline the process of engaging with community activities and services, a new volunteer portal has been launched. This portal has significantly benefited various projects, including those during Ramadan and Eid. The dedication and skills of volunteers are crucial to the ongoing success of IANL's operations, and their contributions are celebrated at the annual volunteer dinners.

Youth Activities

IANL is a youth-centred organisation that organises, delivers, and promotes various youth programs to engage young people in the local area.

The IANL Youth Program is dedicated to helping young people gain confidence and help via emotional, physical, and mental development.

It runs various events and programs strategically chosen to aid in all the above areas. They can engage as little or as much as they like, assisting at an organisation level, volunteering, or simply attending events.

School Visits

The study of major world religions is an integral component of the school curriculum. To support this educational objective, IANL extends invitations to local schools for guided tours of the mosque, accompanied by comprehensive presentations on Islam and its core principles.

Online services

IANL remains committed to offering valuable content online via streaming platforms and social media, ensuring they stay connected with the community regardless of location. The organization boasts a rich array of content from its Imams and guest speakers, which the community can access and benefit from. Additionally, playlists have been created to regularly share content, providing ongoing updates for everyone's benefit.

Eid in the Park

The Islamic Association of North London (IANL) organized Eid in the Park, an annual event where Muslims in Barnet come together for prayers on Eid, which occurs twice a year. Thousands gathered at Glebelands Nature Reserve in Finchley to pray collectively, showcasing solidarity and unity. It was a proud moment for the entire Barnet community.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

IANL Academy

IANL Academy has been steadily developing the quality of educational provision for children and young people between the ages of 6 - 18 years old.

The Academy has 150 pupils on roll, divided into two teaching cohorts. There are ten staff members including, a Headteacher, a dedicated administrator and a diverse group of volunteers. All personnel have access to training and self-development programmes from which they can build their skills and work portfolio.

The main objectives of the Academy are: 1) To provide a safe space for children to connect to their religion 2) To enhance children's confidence within themselves by progressing them in the Arabic language, subjects related to PSHE and Islamic Studies 3) To provide a sense of community to all who are part of the Academy; staff, volunteers, pupils, and parents.

The Academy operates within a fee-based structure to cover its costs; however, there is a built-in allowance for up to 15% of its places to be subsidised through financial aid for those who are going through financial hardship or those who are eligible, e.g.: refugees.

Financial review

The results of IANL are shown in the attached financial statements. The net surplus for the year was £287,494 (2023: £322,036) as detailed in the Statement of Financial Activities.

At the end of the year total reserves were £5,774,169 (2023: £5,486,675), of which £4,635,610 (2023: £4,194,074) can only be realised by disposing of tangible fixed assets.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of charity's unrestricted expenditure, net of fixed investment income. The trustees consider that, in the event of a downturn in the receipt of donations, this level will provide necessary funds to ensure that support and governance costs are covered. The trustees consider that this level is sufficient, given the continuing returns from the investments and as the giving of donations' tradition is strong in the community of such a faith-based organisation.

Principal funding sources

The principal funding sources for the unrestricted funds are the general collections, standing orders, gift aid and investment income. In addition IANL has collected restricted funds for the extension appeal as well as restricted Sadaqah, Zakat, Fitrana and Fidyah funds which have been used towards providing financial aid as disclosed further in the Trustees' Report.

Fundraising from individuals is carefully controlled following internal processes and all public donations involve individuals directly approaching the charity. No professional fundraisers have been used and no undue pressure has been placed on any individual to donate to the charity.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Investment policy and objectives

IANL operates an investment policy to grow the assets so that returns can be used to further its aims as set out in the constitution document, as well as to meet the Charity's costs. The investment level of the Charity is determined by the Board of Trustees, weighing all the appropriate options and being cognisant of IANL's risk appetite which is low, and in the pursuit of IANL's long and short term objectives as set and reviewed by the Board of Trustees from time to time.

IANL properties

At the year end, IANL had invested approximately £2.85m in income generating residential properties, yielding a return of approximately 4.2% on year end value.

The residential properties, currently owned by IANL, are in close vicinity to the main mosque building.

Two of the properties are currently in the names of trustees and former trustees. These are held under legally binding contracts and trust deeds. It is expected that these remaining properties will be transferred to IANL CIO over a period of time.

Risk Management

The trustees and management of IANL believe that sound risk management is integral to both good management and good governance practice. Risk management forms an integral part of the charity's decision-making and is incorporated within strategic and operational planning.

Risk assessment will be conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission. Any risks or opportunities arising will be identified, analysed and reported at an appropriate level. A risk register covering key strategic risks will be maintained and updated quarterly and more frequently where risks are known to be volatile.

A more detailed IANL operational risk register has been drafted and will be maintained by Operations in aspects where this is considered appropriate, taking account of the impact of potential risk and the cost benefit of the exercise. IANL will regularly review and monitor the effectiveness of its risk management framework and update it as necessary and considered appropriate. The next review is scheduled for Q3 2024.

Structure, governance and management

The charity is a charitable incorporated organisation (CIO).

The charity trustees manage the affairs of the CIO. There must be at least seven and not more than ten charity trustees appointed at a Biennial AGM. The charity trustees may at any time appoint a new charity trustee ("Co-opted Charity Trustee") provided the number of trustees does not exceed fifteen.

The day to day running of IANL is carried out by the Operations function managed by the IANL Director.

In setting staff salaries, the Trustees consider factors including but not limited to IANL's purpose and values, long term sustainability, staff feedback, and market and competitor rates.

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

Mr M Abanur

Mr M Abdul Basit

Mr N Alam

Mr F Habib

Mr T Khan

Dr U Khan-Cheema (President)

Mr F Shahabuddin

Mr S Suleiman

Dr P A Sufi

Mr M Adimi

(Appointed 28 January 2024)

(Appointed 28 January 2024)

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Trustee appointments

Trustees stand for election at an AGM every 2 years. Ballot papers are prepared following receipt of nominations from members of the CIO and the election is overseen by an independent election commissioner. A maximum of 10 Trustees can be appointed at each election. The next Election is scheduled to be held during the 2026 AGM.

The election commissioner also oversees the election of the President by members of the CIO at the same AGM. Candidates for President must have been elected as a Trustee.

Prior to their appointment, trustees attend an introductory session on the responsibilities and expectations of a trustee at IANL. They are made aware of the aims and objectives of the charity, policies and procedures as well as characteristics and behaviours expected of them when conducting their work at IANL. They are then paired with an existing trustee to help adjust to IANL working practices.

New trustees receive a copy of the Constitution of the charity, the latest audited financial statements, access to Board minutes, the Charity Commission guidance 'The Essential Trustee' and recent publications. The Trustees are actively encouraged to identify any training they may need. The trustees are kept up-to-date with training opportunities and changes in regulatory standards .

The trustees' report was approved by the Board of Trustees.

.....
Mr Tehmur Khan

Trustee

Date:

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Opinion

We have audited the financial statements of Islamic Association of North London (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach was as follows:

To identify risks of material misstatement due to irregularities we assessed events or conditions that could lead to irregularities. Our risk assessment procedures included:

- Enquiring of Trustees and management and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect irregularities, as well as whether they have knowledge of any actual, suspected, or alleged fraud or breaches of relevant laws and regulations.
- Reading Board minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the Trustees and management (as required by auditing standards). We communicated with the Trustees and management the policies and procedures in place regarding compliance with laws and regulations.

We identified the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the Charities Act 2011, The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the SORP), and relevant tax legislation.

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. We identified the following areas as those most likely to have such an effect: health and safety and employment law, recognising the nature of the Charity's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit cannot be relied upon to detect that breach.

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

As required by auditing standards and considering possible pressures to meet internal key performance indicators and our knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the incorrect accounting period and the risk that management may be able to make inappropriate accounting entries.

We assessed the risks of material misstatement in respect of fraud as follows:

- Our audit team discussed whether there were any areas that were susceptible to misstatement as part of our discussion on fraud;
- We challenged assumptions and judgements made by management in their significant accounting estimates and judgements.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including, designing appropriate audit procedures, including:

- Incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation;
- Inspecting the relevant income agreements and their accounting to confirm their recognition in line with the SORP for different revenue streams;
- Obtaining third party bank confirmations; and
- Assessing the design and effectiveness of controls in place over areas such as procurement and cash.

We considered the extent to which the audit was considered capable of detecting irregularities: There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>.

This description forms part of our auditor's report.

Use of our report

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Stephen McAlpine (Senior Statutory Auditor)
for and on behalf of SBM Associates Limited

.....

Chartered Accountants
Statutory Auditor

24 Wandsworth Road
London
SW8 2JW

SBM Associates Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	340,117	288,322	628,439	277,480	190,816	468,296
Charitable activities	4	70,693	-	70,693	61,433	-	61,433
Investments	5	143,421	-	143,421	128,134	-	128,134
Total income		554,231	288,322	842,553	467,047	190,816	657,863
Expenditure on:							
Charitable activities	6	358,262	71,797	430,059	249,692	81,455	331,147
Total expenditure		358,262	71,797	430,059	249,692	81,455	331,147
Net gains/(losses) on investments	11	(125,000)	-	(125,000)	(4,680)	-	(4,680)
Net income		70,969	216,525	287,494	212,675	109,361	322,036
Transfers between funds	18	673,262	(673,262)	-	35,051	(35,051)	-
Net movement in funds	8	744,231	(456,737)	287,494	247,726	74,310	322,036
Reconciliation of funds:							
Fund balances at 1 April 2023		4,406,911	1,079,764	5,486,675	4,159,185	1,005,454	5,164,639
Fund balances at 31 March 2024		5,151,142	623,027	5,774,169	4,406,911	1,079,764	5,486,675

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

ISLAMIC ASSOCIATION OF NORTH LONDON

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	13	1,785,610		1,219,074	
Investment properties	14	2,850,000		2,975,000	
		4,635,610		4,194,074	
Current assets					
Debtors	15	360,675		146,497	
Cash at bank and in hand		817,963		1,178,789	
		1,178,638		1,325,286	
Creditors: amounts falling due within one year	16	(40,079)		(32,685)	
Net current assets		1,138,559		1,292,601	
Total assets less current liabilities		5,774,169		5,486,675	
Income funds					
Restricted funds	18	623,027		1,079,764	
Unrestricted funds		5,151,142		4,406,911	
		5,774,169		5,486,675	

The financial statements were approved by the Trustees on

.....
Dr U Khan-Cheema (President)
Trustee

.....
Mr F Shahabuddin
Trustee

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	21		73,845		93,986
Investing activities					
Purchase of tangible fixed assets		(578,092)		(137,515)	
Improvements to/purchase of investment property		-		(79,680)	
Investment income received		143,421		128,134	
Net cash used in investing activities			(434,671)		(89,061)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(360,826)		4,925
Cash and cash equivalents at beginning of year			1,178,789		1,173,864
Cash and cash equivalents at end of year			817,963		1,178,789

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Islamic Association of North London is a Charitable Incorporated Organisation(CIO).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Freehold buildings	2% on cost
Fixtures and fittings	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	340,117	288,322	628,439	277,480	190,816	468,296
Donations and gifts						
Donations and gifts	300,601	95,510	396,111	253,600	95,432	349,033
Membership fees	1,700	-	1,700	1,165	-	1,165
Gift Aid	37,816	-	37,816	22,715	-	22,715
Extension Fund	-	191,755	191,755	-	78,884	78,884
Grant income	-	-	-	-	16,500	16,500
	-	1,057	1,057	-	-	-
	340,117	288,322	628,439	277,480	190,816	468,296

4 Income from charitable activities

	Other income 2024 £	Madrassah Fees 2024 £	Total 2024 £	Other income 2023 £	Madrassah Fees 2023 £	Total 2023 £
Ancillary income	16,451	54,242	70,693	20,482	40,951	61,433
Analysis by fund						
Unrestricted funds	16,451	54,242	70,693	20,482	40,951	61,433

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	121,858	107,240
Profit on cash deposits	21,563	20,894
	143,421	128,134

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Charitable activities

	Charitable grant funding of activities 2024 £	Charitable grant funding of activities 2023 £
Staff costs	189,376	154,714
Depreciation	11,557	11,093
Bank charges	4,140	2,752
Cleaning materials & waste collection	3,836	2,777
Computer and software expenses	1,101	1,460
Events, food costs and ancillary activities	7,727	2,412
Madrassah, youth & reverts expenses	13,597	2,747
Legal & Professional	1,593	1,818
Insurance	2,664	2,561
Investment property expenses	26,390	17,458
Light, heat and power for main premises	20,955	15,273
Printing, postage and stationery	1,672	1,204
Water rates	3,068	1,772
Repairs and maintenance on main premises	4,586	2,387
Ramadan expenses	28,497	19,198
Telephone and broadband	427	431
Other charitable expenditure	9,015	3,353
Marketing	21,245	-
	<u>351,446</u>	<u>243,410</u>
Grant funding of activities (see note 7)	71,797	81,455
Governance costs (Audit fees)	6,816	6,282
	<u>430,059</u>	<u>331,147</u>
Analysis by fund		
Unrestricted funds	358,262	249,692
Restricted funds	71,797	81,455
	<u>430,059</u>	<u>331,147</u>

7 Grants payable

	Charitable grant funding of activities 2024 £	Charitable grant funding of activities 2023 £
Grants to individuals and organisations	71,797	81,455
	<u>71,797</u>	<u>81,455</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Grants payable (Continued)

Included in the total for grant payable is £9,920 (2023: £7,500) for grant related expenditure

8 Net movement in funds	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	11,557	11,093

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	18	15
Employment costs	2024 £	2023 £
Wages and salaries	182,438	148,775
Social security costs	5,888	5,263
Other pension costs	1,050	676
	189,376	154,714

There were no employees whose annual remuneration was more than £60,000.

11 Net gains on investments

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Revaluation of investments	(125,000)	(4,680)

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Freehold buildings £	Assets under construction £	Fixtures and fittings £	Total £
Cost				
At 1 April 2023	1,109,434	144,312	27,139	1,280,885
Additions	-	573,262	4,830	578,092
At 31 March 2024	1,109,434	717,574	31,969	1,858,977
Depreciation and impairment				
At 1 April 2023	44,943	-	16,867	61,810
Depreciation charged in the year	8,989	-	2,568	11,557
At 31 March 2024	53,932	-	19,435	73,367
Carrying amount				
At 31 March 2024	1,055,502	717,574	12,534	1,785,610
At 31 March 2023	1,064,490	144,312	10,272	1,219,074

14 Investment property

	2024 £
Fair value	
At 1 April 2023	2,975,000
Net gains or losses through fair value adjustments	(125,000)
At 31 March 2024	2,850,000

Investment property comprises freehold and long leasehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31/03/2024 by a local property estate agent, who is not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2024 £	2023 £
Freehold	2,150,000	2,225,000
Long leasehold	700,000	750,000
	2,850,000	2,975,000

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Qard Hasana loan	300,000	100,000
Other debtors	10,117	4,163
Prepayments and accrued income	50,558	42,334
	<u>360,675</u>	<u>146,497</u>

A Qard Hasana loan has been made to another charity, not connected to the Islamic Association of North London. The loan is unsecured, interest free and repayable within a year.

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	3,083	1,942
Other creditors	18,979	18,393
Accruals and deferred income	18,017	12,350
	<u>40,079</u>	<u>32,685</u>

Included in other creditors is an amount of £17,000 (2023: £17,000) relating to Qard Hasana loans which are unsecured and repayable on demand.

17 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,050</u>	<u>676</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

ISLAMIC ASSOCIATION OF NORTH LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 April 2022 £	Movement in funds			Balance at 1 April 2023 £	Movement in funds			Transfers £	Balance at 31 March 2024 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Extension Fund	1,233,334	78,884	-	(133,551)	1,178,667	191,755	(1,280)	(573,262)	795,880	
Grants	-	16,500	(7,500)	-	9,000	-	(9,920)	-	(920)	
Qard Hasana	1,500	-	-	(1,500)	-	-	-	-	-	
Zakat and Sadaqa funds	70,620	95,432	(73,955)	-	92,097	96,567	(60,598)	-	128,066	
Temporary Unrestriction	(300,000)	-	-	100,000	(200,000)	-	-	(100,000)	(300,000)	
	1,005,454	190,816	(81,455)	(35,051)	1,079,764	288,322	(71,798)	(673,262)	623,027	

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	1,785,610	-	1,785,610
Investment properties	2,850,000	-	2,850,000
Current assets/(liabilities)	515,532	623,027	1,138,559
	<u>5,151,142</u>	<u>623,027</u>	<u>5,774,169</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Tangible assets	1,219,074	-	1,219,074
Investment properties	2,975,000	-	2,975,000
Current assets/(liabilities)	212,837	1,079,764	1,292,601
	<u>4,406,911</u>	<u>1,079,764</u>	<u>5,486,675</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

21 Cash generated from operations

	2024 £	2023 £
Surplus for the year	287,494	322,036
Adjustments for:		
Investment income recognised in statement of financial activities	(143,421)	(128,134)
Fair value gains and losses on investments	125,000	4,680
Depreciation and impairment of tangible fixed assets	11,557	11,093
Movements in working capital:		
(Increase) in debtors	(214,178)	(114,902)
Increase/(decrease) in creditors	7,394	(787)
Cash generated from operations	<u>73,845</u>	<u>93,986</u>

22 Analysis of changes in net funds

The charity had no material debt during the year.

Accounts

ISLAMIC ASSOCIATION OF NORTH LONDON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



ISLAMIC ASSOCIATION OF NORTH LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr M Abanur
Mr M Abdul Basit
Mr N Alam
Mr F Habib
Mr T Khan
Dr U Khan-Cheema
Mr F Shahabuddin
Mr S Suleiman

Charity number

1173839

Registered office

685 High Road North
Finchley
London
N12 0DA

Auditor

SBM Associates Limited
24 Wandsworth Road
London
SW8 2JW

ISLAMIC ASSOCIATION OF NORTH LONDON

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ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects of the Charitable Incorporated Organisation (CIO), as laid out in its constitution, are:

- Advancement of religion in accordance with the tenets, philosophy, ideology and traditions of Islam;
- Advancement of education and religious teaching through lectures, structured classes and youth services in accordance with the tenets and teachings of Islam; and
- Relief of such members of the community who are poor and in distress in accordance with the tenets, philosophy, ideology and teachings of Islam.

The trustees have paid due regard to guidance on the public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The demand for the core services of IANL continues to rise by the fact that it serves an increasing Muslim community covering a wide geographical area in the London Borough of Barnet. It is a diverse community originating from a variety of ethnicities and cultures.

IANL provides facilities to facilitate all the daily prayers and is open to the public seven days a week. The prayer facilities are used for the large congregational prayers held on Fridays, during Ramadan and on other important occasions such as the two festivals of Eid.

Achievements and performance

Community Briefing Sessions

IANL regularly holds meetings with members of the community for feedback and suggestions on charitable initiatives to be introduced. The sessions also give the community the opportunity to receive updates of the status of ongoing projects and how they can get involved.

Warm spaces

For the winter months between December and March, IANL took part in the warm spaces initiative with Barnet Council to provide members of the community with a space to socialise, have food, and stay warm. This initiative was introduced to help tackle loneliness, and assist members of the community with energy bills.

Emergency appeals

From time to time IANL hosts external charities to help them fundraise for natural disasters in other parts of the world. This gives an opportunity for the community at IANL to make a difference in places where IANL does not operate.

Financial Aid

IANL continues to provide grants to Muslims of Barnet who are in poverty for basic essentials such as shelter, rent, furniture, utility bills, food, clothing, debt relief etc. These grants bring temporary relief from financial strains and enable people to get on the path to being financially independent. During the year, IANL had a number of successful grant applications which have made a significant impact on the applicants' quality of life and their physical and mental wellbeing.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Matrimonial Service

IANL continues to provide a matrimonial service to help Muslim men and women in their search for a spouse recognising that marriage is the bedrock of the community and a fundamental part of the Islamic faith. Participants must go through a sign-up process before being added onto the matrimonial portal.

IANL Extension

During the year the professional team have been busy finalising the internal building layout with a view to freezing the design plans, this process was completed. The project has been phased to ensure funds are available or achievable to complete a particular phase and also to ensure the works do not adversely affect the daily operations of IANL. Subsequent to the year end, and after a successful tendering process, a contractor has been appointed for the initial phases. Works have now commenced on site, and planning has been secured.

Reverts Circle

IANL has been hosting a monthly Reverts Circle since Sep 2022 to cater for the growing community of new Muslims in Barnet. The Reverts Circle has 3 aims: (1) provide a space where reverts can learn about the faith in a tolerant and supportive manner; (2) create an environment where they feel comfortable in and connected to a Masjid; and (3) fulfil the social needs of new Muslims through providing companionship for them in their journey of faith.

As part of the Reverts Circle activities, IANL arranged a trip for the revert community to Cambridge Masjid, and has recently produced its own "Welcome To Islam" pack to guide reverts through the early transitional period after taking shahadah.

Volunteering

IANL recognises the extraordinary contributions of its volunteers who work tirelessly to serve the local community and push IANL to new heights. A new volunteer portal has been set up to ease the process of connecting people with activities and services for the community. A number of projects have greatly benefited from this portal including services provided in Ramadan and Eid. Volunteers' time and skills are fundamental to the continuing success of IANL operations and they are appreciated through the annual volunteer dinners.

Youth Activities

Over the years, IANL has set up and supported many youth initiatives ranging from education to social and recreational activities. IANL held workshops such as "A youths guide to an awesome Ramadan" and social events including a youth barbeque, to increase youth engagement and involve them in different mosque projects.

School Visits

Learning about the major religions of the world is part of the school curriculum. IANL facilitates the learning process by inviting local schools for a tour of the mosque and an immersive presentation on Islam and its main tenets. Since reopening, IANL has received and facilitated visits from 23 of the schools from the local area.

Online services

IANL continues to provide beneficial content online through streaming platforms and social media, connecting with the community wherever they are. IANL has a wealth of content delivered by its Imams and external speakers that the community can benefit from. A podcast has been created as a platform to share content for the benefit of everyone with regular updates.

Eid in the Park

IANL hosted Eid in the Park, an event that saw Muslims in Barnet gather annually for prayers on the day of Eid which takes place twice a year. Thousands of people gathered in Glebelands Nature Reserve in Finchley to collectively pray together in an act of solidarity and unity. A proud moment for all in Barnet.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

IANL Ilm Programme

The newly launched IANL Ilm Programme aims to deliver structured Islamic educational courses for adults of all segments of the community in an easy to understand manner. Students should gain a firm grounding in the Islamic sciences, its development, nuances and application in the modern world.

The Programme ran two sold out one-day courses with a total of 163 attendees from a diverse range of backgrounds. Attendance was followed by online exams to reinforce the learning.

To ensure inclusivity IANL enabled online attendance whilst also providing full and partial bursaries for those who needed it. The Programme was run by a small group of volunteers.

IANL Academy

IANL Academy has been steadily developing the quality of educational provision for children and young people between the ages of 6 - 18 years old.

The Academy has 139 pupils on roll, divided into two teaching cohorts. There are ten staff members including, a Headteacher, a dedicated administrator and a diverse group of volunteers. All personnel have access to training and self-development programmes from which they can build their skills and work portfolio.

The main objectives of the Academy are: 1) To provide a safe space for children to connect to their religion 2) To enhance children's confidence within themselves by progressing them in the Arabic language, subjects related to PSHE and Islamic Studies 3) To provide a sense of community to all who are part of the Academy; staff, volunteers, pupils, and parents.

The Academy operates within a fee-based structure to cover its costs; however, there is a built-in allowance for up to 15% of its places to be subsidised through financial aid for those who are going through financial hardship or those who are eligible, e.g.: refugees.

Financial review

The results of IANL are shown in the attached financial statements. The net surplus for the year was £322,036 (2022: £510,381) as detailed in the Statement of Financial Activities.

At the end of the year total reserves were £5,486,675 (2022: £5,164,639), of which £4,194,074 (2022: £3,992,652) can only be realised by disposing of tangible fixed assets.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of charity's unrestricted expenditure, net of fixed investment income. The trustees consider that, in the event of a downturn in the receipt of donations, this level will provide necessary funds to ensure that support and governance costs are covered. The trustees consider that this level is sufficient, given the continuing returns from the investments and as the giving of donations' tradition is strong in the community of such a faith-based organisation.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal funding sources

The principal funding sources for the unrestricted funds are the general collections, standing orders, gift aid and investment income. In addition IANL has collected restricted funds for the extension appeal as well as restricted Sadaqah, Zakat, Fitra and Fidyah funds which have been used towards providing financial aid as disclosed further in the Trustees' Report.

Fundraising from individuals is carefully controlled following internal processes and all public donations involve individuals directly approaching the charity. No professional fundraisers have been used and no undue pressure has been placed on any individual to donate to the charity.

Investment policy and objectives

IANL operates an investment policy to grow the assets so that returns can be used to further its aims as set out in the constitution document, as well as to meet the Charity's costs. The investment level of the Charity is determined by the Board of Trustees, weighing all the appropriate options and being cognisant of IANL's risk appetite which is low, and in the pursuit of IANL's long and short term objectives as set and reviewed by the Board of Trustees from time to time.

IANL properties

At the year end, IANL had invested approximately £2.975m in income generating residential properties, yielding a return of approximately 3.5% on year end value.

The residential properties, currently owned by IANL, are in close vicinity to the main mosque building.

Some of the properties are currently in the names of trustees and former trustees. These are held under legally binding contracts and trust deeds. IANL has instructed its solicitors to transfer the properties to IANL CIO. The process has already started with most of the properties already transferred and the remainder is expected to be completed over a period of time.

Risk Management

The trustees and management of IANL believe that sound risk management is integral to both good management and good governance practice. Risk management forms an integral part of the charity's decision-making and is incorporated within strategic and operational planning.

Risk assessment will be conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission. Any risks or opportunities arising will be identified, analysed and reported at an appropriate level. A risk register covering key strategic risks will be maintained and updated quarterly and more frequently where risks are known to be volatile.

A more detailed IANL operational risk register is being drafted and will be maintained by Operations in aspects where this is considered appropriate, taking account of the impact of potential risk and the cost benefit of the exercise. IANL will regularly review and monitor the effectiveness of its risk management framework and update it as necessary and considered appropriate. The next review is scheduled for Q3 2023.

Plans for future periods

IANL will focus its efforts in the coming year on re-establishing its services that were suspended due to Covid-19 and develop its existing operating mechanisms to better its output and serve the community more effectively.

Structure, governance and management

The charity is a charitable incorporated organisation (CIO).

The charity trustees manage the affairs of the CIO. There must be at least seven and not more than ten charity trustees appointed at a Biennial AGM. The charity trustees may at any time appoint a new charity trustee ("Co-opted Charity Trustee") provided the number of trustees does not exceed fifteen.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The day to day running of IANL is carried out by the Operations function managed by the IANL Director.

In setting staff salaries, the Trustees consider factors including but not limited to IANL's purpose and values, long term sustainability, staff feedback, and market and competitor rates.

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

Mr M Abanur

Mr M Abdul Basit

Mr N Alam

Mr F Habib

Mr T Khan

Dr U Khan-Cheema

Mr F Shahabuddin

Mr S Suleiman

Trustee appointments

Trustees stand for election at an AGM every 2 years. Ballot papers are prepared following receipt of nominations from members of the CIO and the election is overseen by an independent election commissioner. A maximum of 10 Trustees can be appointed at each election. The next Election is scheduled to be held during the 2024 AGM.

The election commissioner also oversees the election of the President by members of the CIO at the same AGM. Candidates for President must have been elected as a Trustee.

Prior to their appointment, trustees attend an introductory session on the responsibilities and expectations of a trustee at IANL. They are made aware of the aims and objectives of the charity, policies and procedures as well as characteristics and behaviours expected of them when conducting their work at IANL. They are then paired with an existing trustee to help adjust to IANL working practices.

New trustees receive a copy of the Constitution of the charity, the latest audited financial statements, access to Board minutes, the Charity Commission guidance 'The Essential Trustee' and recent publications. The Trustees are actively encouraged to identify any training they may need. The trustees are kept up-to-date with training opportunities and changes in regulatory standards .

The trustees' report was approved by the Board of Trustees.

Mr Tehmur Khan

Trustee

11 December 2023

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Opinion

We have audited the financial statements of Islamic Association of North London (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach was as follows:

To identify risks of material misstatement due to irregularities we assessed events or conditions that could lead to irregularities. Our risk assessment procedures included:

- Enquiring of Trustees and management and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect irregularities, as well as whether they have knowledge of any actual, suspected, or alleged fraud or breaches of relevant laws and regulations.
- Reading Board minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the Trustees and management (as required by auditing standards). We communicated with the Trustees and management the policies and procedures in place regarding compliance with laws and regulations.

We identified the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the Charities Act 2011, The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the SORP), and relevant tax legislation.

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. We identified the following areas as those most likely to have such an effect: health and safety and employment law, recognising the nature of the Charity's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit cannot be relied upon to detect that breach.

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

As required by auditing standards and considering possible pressures to meet internal key performance indicators and our knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the incorrect accounting period and the risk that management may be able to make inappropriate accounting entries.

We assessed the risks of material misstatement in respect of fraud as follows:

- Our audit team discussed whether there were any areas that were susceptible to misstatement as part of our discussion on fraud;
- We challenged assumptions and judgements made by management in their significant accounting estimates and judgements.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including, designing appropriate audit procedures, including:

- Incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation;
- Inspecting the relevant income agreements and their accounting to confirm their recognition in line with the SORP for different revenue streams;
- Obtaining third party bank confirmations; and
- Assessing the design and effectiveness of controls in place over areas such as procurement and cash.

We considered the extent to which the audit was considered capable of detecting irregularities: There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>.

This description forms part of our auditor's report.

Use of our report

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Stephen McAlpine (Senior Statutory Auditor)
for and on behalf of SBM Associates Limited

21 December 2023

Chartered Accountants
Statutory Auditor

24 Wandsworth Road
London
SW8 2JW

SBM Associates Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	277,480	190,816	468,296	210,613	139,481	350,094
Charitable activities	4	61,433	-	61,433	47,110	-	47,110
Investments	5	128,134	-	128,134	111,928	-	111,928
Total income		467,047	190,816	657,863	369,651	139,481	509,132
Expenditure on:							
Charitable activities	6	249,692	81,455	331,147	202,158	28,257	230,415
Net gains/(losses) on investments	10	(4,680)	-	(4,680)	231,664	-	231,664
Net incoming resources before transfers		212,675	109,361	322,036	399,157	111,224	510,381
Gross transfers between funds		35,051	(35,051)	-	(80,188)	80,188	-
Net movement in funds		247,726	74,310	322,036	318,969	191,412	510,381
Fund balances at 1 April 2022		4,159,185	1,005,454	5,164,639	3,840,216	814,042	4,654,258
Fund balances at 31 March 2023		4,406,911	1,079,764	5,486,675	4,159,185	1,005,454	5,164,639

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

All income and expenditure derive from continuing activities.

ISLAMIC ASSOCIATION OF NORTH LONDON

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12	1,219,074		1,092,652	
Investment properties	13	2,975,000		2,900,000	
		<u>4,194,074</u>		<u>3,992,652</u>	
Current assets					
Debtors	14	146,497		31,595	
Cash at bank and in hand		1,178,789		1,173,864	
		<u>1,325,286</u>		<u>1,205,459</u>	
Creditors: amounts falling due within one year	15	(32,685)		(33,472)	
Net current assets		<u>1,292,601</u>		<u>1,171,987</u>	
Total assets less current liabilities		<u><u>5,486,675</u></u>		<u><u>5,164,639</u></u>	
Income funds					
Restricted funds	16	1,079,764		1,005,454	
Unrestricted funds		4,406,911		4,159,185	
		<u><u>5,486,675</u></u>		<u><u>5,164,639</u></u>	

The financial statements were approved by the Trustees on 11 December 2023

Dr U Khan-Cheema
Trustee

Mr F Shahabuddin
Trustee

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	19		93,986		213,058
Investing activities					
Purchase of tangible fixed assets		(137,515)		(11,327)	
Improvements to/purchase of investment property		(79,680)		(253,336)	
Investment income received		128,134		111,928	
Net cash used in investing activities			(89,061)		(152,735)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			4,925		60,323
Cash and cash equivalents at beginning of year			1,173,864		1,113,541
Cash and cash equivalents at end of year			1,178,789		1,173,864

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Islamic Association of North London is a Charitable Incorporated Organisation(CIO).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Freehold buildings	2% on cost
Fixtures and fittings	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	277,480	190,816	468,296	210,613	139,481	350,094
Donations and gifts						
Donations and gifts	253,600	95,432	349,033	166,188	64,217	230,405
Coronavirus Job Retention Scheme grants	-	-	-	23,497	-	23,497
Membership fees	1,165	-	1,165	1,496	-	1,496
Gift Aid	22,715	-	22,715	19,432	-	19,432
Extension Fund	-	78,884	78,884	-	75,264	75,264
Grant income	-	16,500	16,500	-	-	-
	277,480	190,816	468,296	210,613	139,481	350,094

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Other income	Madrassah fees	Total	Other income	Madrassah fees	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Ancillary income	20,482	40,951	61,433	17,109	30,001	47,110
	<u>20,482</u>	<u>40,951</u>	<u>61,433</u>	<u>17,109</u>	<u>30,001</u>	<u>47,110</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	107,240	104,843
Profit on cash deposits	20,894	7,085
	<u>128,134</u>	<u>111,928</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Charitable grant funding of activities 2023 £	Charitable grant funding of activities 2022 £
Staff costs	154,714	139,106
Depreciation	11,093	11,605
Bank charges	2,752	1,852
Cleaning materials & waste collection	2,777	2,037
Computer and software expenses	1,460	706
Events, food costs and ancillary activities	2,412	509
Madrasah expenses	2,747	2,618
Legal & Professional	1,818	860
Insurance	2,561	2,541
Investment property expenses	17,458	13,361
Light, heat and power for main premises	15,273	5,287
Printing, postage and stationery	1,204	563
Water rates	1,772	594
Repairs and maintenance on main premises	2,387	6,378
Ramadan expenses	19,198	2,562
Telephone and broadband	431	391
Other charitable expenditure	3,353	3,773
	<u>243,410</u>	<u>194,743</u>
Grant funding of activities (see note 7)	81,455	28,257
Governance costs (Audit fees)	6,282	7,415
	<u>331,147</u>	<u>230,415</u>
Analysis by fund		
Unrestricted funds	249,692	202,158
Restricted funds	81,455	28,257
	<u>331,147</u>	<u>230,415</u>

7 Grants payable

	Charitable grant funding of activities 2023 £	Charitable grant funding of activities 2022 £
Grants to individuals	81,455	28,257
	<u>81,455</u>	<u>28,257</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Grants payable (Continued)

Included in the total for grant payable is £7,500 expended for Warm Spaces.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	15	16
Employment costs	2023	2022
	£	£
Wages and salaries	148,775	135,243
Social security costs	5,263	3,839
Other pension costs	676	24
	154,714	139,106

There were no employees whose annual remuneration was more than £60,000.

10 Net gains on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	(4,680)	231,664

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Freehold buildings £	Assets under construction £	Fixtures and fittings £	Total £
Cost				
At 1 April 2022	1,109,434	10,762	23,174	1,143,370
Additions	-	133,550	3,965	137,515
At 31 March 2023	1,109,434	144,312	27,139	1,280,885
Depreciation and impairment				
At 1 April 2022	35,955	-	14,763	50,718
Depreciation charged in the year	8,989	-	2,104	11,093
At 31 March 2023	44,944	-	16,867	61,811
Carrying amount				
At 31 March 2023	1,064,490	144,312	10,272	1,219,074
At 31 March 2022	1,073,479	10,762	8,411	1,092,652

13 Investment property

	2023 £
Fair value	
At 1 April 2022	2,900,000
Improvements to investment property	79,680
Net gains or losses through fair value adjustments	(4,680)
At 31 March 2023	2,975,000

Investment property comprises freehold and long leasehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31/03/2023 by a local property estate agent, who is not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2023 £	2022 £
Freehold	2,225,000	2,150,000
Long leasehold	750,000	750,000
	2,975,000	2,900,000

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Qard Hasana loan	100,000	-
Other debtors	4,163	-
Prepayments and accrued income	42,334	31,595
	<u>146,497</u>	<u>31,595</u>

A Qard Hasana loan has been made to another charity, not connected to the Islamic Association of North London. The loan is unsecured, interest free and repayable within a year.

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	1,942	-
Other creditors	18,393	27,415
Accruals and deferred income	12,350	6,057
	<u>32,685</u>	<u>33,472</u>

Included in other creditors is an amount of £17,000 (2021: £26,500) relating to Qard Hasana loans which are unsecured and repayable on demand.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£
Extension Fund	1,177,881	75,265	-	(19,812)	1,233,334	78,884	-	(133,551)	1,178,667
Grants	-	-	-	-	-	16,500	(7,500)	-	9,000
Qard Hasana	1,500	-	-	-	1,500	-	-	(1,500)	-
Zakat and Sadaqa funds	34,661	64,216	(28,257)	-	70,620	95,432	(73,955)	-	92,097
Temporary Unrestriction	(400,000)	-	-	100,000	(300,000)	-	-	100,000	(200,000)
	<u>814,042</u>	<u>139,481</u>	<u>(28,257)</u>	<u>80,188</u>	<u>1,005,454</u>	<u>190,816</u>	<u>(81,455)</u>	<u>(35,051)</u>	<u>1,079,764</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	1,219,074	-	1,219,074	1,092,652	-	1,092,652
Investment properties	2,975,000	-	2,975,000	2,900,000	-	2,900,000
Current assets/(liabilities)	212,837	1,079,764	1,292,601	166,533	1,005,454	1,171,987
	<u>4,406,911</u>	<u>1,079,764</u>	<u>5,486,675</u>	<u>4,159,185</u>	<u>1,005,454</u>	<u>5,164,639</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

19 Cash generated from operations

	2023 £	2022 £
Surplus for the year	322,036	510,381
Adjustments for:		
Investment income recognised in statement of financial activities	(128,134)	(111,928)
Fair value gains and losses on investments	4,680	(231,664)
Depreciation and impairment of tangible fixed assets	11,093	11,605
Movements in working capital:		
(Increase)/decrease in debtors	(114,902)	86,267
(Decrease) in creditors	(787)	(51,603)
Cash generated from operations	<u>93,986</u>	<u>213,058</u>

20 Analysis of changes in net funds

The charity had no debt during the year.

Accounts

ISLAMIC ASSOCIATION OF NORTH LONDON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



ISLAMIC ASSOCIATION OF NORTH LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr M Abanur
Mr M Abdul Basit
Mr N Alam
Mr F Habib
Mr T Khan
Dr U Khan-Cheema
Mr F Shahabuddin
Mr S Suleiman

Charity number

1173839

Auditor

SBM Associates Limited
24 Wandsworth Road
London
SW8 2JW

ISLAMIC ASSOCIATION OF NORTH LONDON

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ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects of the Charitable Incorporated Organisation (CIO), as laid out in its constitution, are:

- Advancement of religion in accordance with the tenets, philosophy, ideology and traditions of Islam;
- Advancement of education and religious teaching through lectures, structured classes and youth services in accordance with the tenets and teachings of Islam; and
- Relief of such members of the community who are poor and in distress in accordance with the tenets, philosophy, ideology and teachings of Islam.

The trustees have paid due regard to guidance on the public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The demand for the core services of IANL continues to rise by the fact that it serves an increasing Muslim community covering a wide geographical area in the London Borough of Barnet. It is a diverse community originating from a variety of ethnicities and cultures.

IANL provides facilities to facilitate all the daily prayers and is open to the public seven days a week. The prayer facilities are used for the large congregational prayers held on Fridays, during Ramadan and on other important occasions such as the two festivals of Eid.

Achievements and performance

Resuming services

The main focus for IANL coming out of the pandemic was to resume services that had previously been suspended. The key services that were introduced were: all prayers in congregation including Friday/Jummah and Eid, IANL Academy weekday classes, staff presence and operational meetings, hospital and hospice chaplaincy, the Mini Muslims playgroup, and classes covering various topics.

Financial Aid

IANL provides grants to Muslims of Barnet who are in poverty for basic essentials such as shelter, rent, furniture, utility bills, food, clothing, debt relief etc. These grants bring temporary relief from financial strains and enable people to get on the path to being financially independent. During the year, IANL had a number of successful grant applications which have made a significant impact on the applicants' quality of life and their physical and mental wellbeing.

Matrimonial Service

IANL opened a matrimonial service to help Muslim men and women in their search for a spouse recognising that marriage is the bedrock of the community and a fundamental part of the Islamic faith. Participants must go through a sign-up process before being added onto the matrimonial portal.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The Front Extension

Following the grant of planning permission for the Phase 2 Extension and the finalisation of the S106 Agreement, progress has been made to appoint architects and other professionals such as Structural Engineers, Quantity Surveyor and Electrical and Mechanical Engineers pursuant to a competitive procurement process. The architect and the other professionals have commenced work to finalise the internal building layout with a view to freezing the plans. They are working towards creating a tender pack for inviting building contractors to provide a quote for the build project during the first half of 2023.

Volunteering

IANL recognises the extraordinary contributions of its volunteers who work tirelessly to serve the local community and push IANL to new heights. A new volunteer portal has been set up to ease the process of connecting people with activities and services for the community. A number of projects have greatly benefited from this portal including services provided in Ramadan and Eid. Volunteers' time and skills are fundamental to the continuing success of IANL operations and they are appreciated through the annual volunteer dinners.

Youth Activities

Over the years, IANL has set up and supported many youth initiatives ranging from education to social and recreational activities. IANL held competitions during the winter holidays with prizes for the winners. IANL will look to increase the number of activities it provides for the youth in the near future.

School Visits

Learning about the major religions of the world is part of the school curriculum. IANL facilitates the learning process by inviting local schools for a tour of the mosque and an immersive presentation on Islam and its main tenets. Since reopening, IANL has received and facilitated a number of schools from the local area.

Pastoral care - counselling and community support

IANL provides counselling and support to the community going through hardships and difficulties. Imams help people move forward and provide space and time for people to work through their problems in order to get to and regain wellbeing and balance in a person's life. IANL provides 1-on-1 counselling, bereavement support, and marriage counselling.

Online services

IANL continues to provide beneficial content online through streaming platforms and social media, connecting with the community wherever they are. IANL has a wealth of content delivered by its Imams and external speakers that the community can benefit from. A podcast has been created as a platform to share content for the benefit of everyone with regular updates.

IANL Academy

Over the course of the year, IANL Academy provided weekday madrasah classes 3 times per week to approximately 75 children from within the local community aged between 6 – 16yrs. The students were enrolled in classes that incorporated (1) the basics of how to read the Quran; and (2) age-appropriate Islamic studies material.

Although IANL Academy operates within a fee-based structure to cover its costs, there is a built-in allowance for up to 10% of its places to be provided with significant discounts for those parents experiencing financial hardship. A number of parents have applied & benefited from this available financial assistance.

Financial review

The results of IANL are shown in the attached financial statements. The net surplus for the year was £510,381 (2021: £567,169) as detailed in the Statement of Financial Activities.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of charity's unrestricted expenditure, net of fixed investment income. The trustees consider that, in the event of a downturn in the receipt of donations, this level will provide necessary funds to ensure that support and governance costs are covered. The trustees consider that this level is sufficient, given the continuing returns from the investments and as the giving of donations' tradition is strong in the community of such a faith-based organisation.

Principal funding sources

The principal funding sources for the unrestricted funds are the general collections, standing orders, gift aid and investment income. In addition IANL has collected restricted funds for the extension appeal as well as restricted Sadaqah, Zakat, Fitrana and Fidyah funds which have been used towards providing financial aid as disclosed further in the Trustees' Report.

Fundraising from individuals is carefully controlled following internal processes and all public donations involve individuals directly approaching the charity. No professional fundraisers have been used and no undue pressure has been placed on any individual to donate to the charity.

Investment policy and objectives

IANL operates an investment policy to grow the assets so that returns can be used to further its aims as set out in the constitution document, as well as to meet the Charity's costs. The investment level of the Charity is determined by the Board of Trustees, weighing all the appropriate options and being cognisant of IANL's risk appetite which is low, and in the pursuit of IANL's long and short term objectives as set and reviewed by the Board of Trustees from time to time.

IANL properties

At the year end, IANL had invested approximately £2.9m in income generating residential properties, yielding a return of approximately 3.5% on year end value.

The residential properties, currently owned by IANL, are in close vicinity to the main mosque building. During the year, IANL has acquired one further residential property, in the same vicinity, for a total consideration of approximately £0.25m.

Some of the properties are currently in the names of trustees and former trustees. These are held under legally binding contracts and trust deeds. IANL has instructed its solicitors to transfer the properties to IANL CIO. The process is expected to be completed over a period of time.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Risk Management

The trustees and management of IANL believe that sound risk management is integral to both good management and good governance practice. Risk management forms an integral part of the charity's decision-making and is incorporated within strategic and operational planning.

Risk assessment will be conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission. Any risks or opportunities arising will be identified, analysed and reported at an appropriate level. A risk register covering key strategic risks will be maintained and updated quarterly and more frequently where risks are known to be volatile.

A more detailed IANL operational risk register is being drafted and will be maintained by Operations in aspects where this is considered appropriate, taking account of the impact of potential risk and the cost benefit of the exercise. IANL will regularly review and monitor the effectiveness of its risk management framework and update it as necessary and considered appropriate. The next review is scheduled for Q3 2023.

Plans for future periods

IANL will focus its efforts in the coming year on re-establishing its services that were suspended due to Covid-19 and develop its existing operating mechanisms to better its output and serve the community more effectively.

Structure, governance and management

The charity is a charitable incorporated organisation (CIO).

The charity trustees manage the affairs of the CIO. There must be at least seven and not more than ten charity trustees appointed at a Biennial AGM. The charity trustees may at any time appoint a new charity trustee ("Co-opted Charity Trustee") provided the number of trustees does not exceed fifteen.

The day to day running of IANL is carried out by the Operations function managed by the IANL Director.

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

Mr M Abanur

Mr M Abdul Basit

Mr N Alam

Mr F Habib

Mr T Khan

Dr U Khan-Cheema

Mr F Shahabuddin

Mr S Suleiman

Mr K Ahmed

(Retired 27 January 2022)

Mr A Kara

(Retired 27 January 2022)

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Trustee appointments

Trustees stand for election at an AGM every 2 years. Ballot papers are prepared following receipt of nominations from members of the CIO and the election is overseen by an independent election commissioner. A maximum of 10 Trustees can be appointed at each election. The next Election is scheduled to be held during the 2024 AGM.

The election commissioner also oversees the election of the President by members of the CIO at the same AGM. Candidates for President must have been elected as a Trustee. Prior to their appointment, trustees attend an introductory session on the responsibilities and expectations of a trustee at IANL. They are made aware of the aims and objectives of the charity, policies and procedures as well as characteristics and behaviours expected of them when conducting their work at IANL. They are then paired with an existing trustee to help adjust to IANL working practices.

New trustees receive a copy of the Constitution of the charity, the latest audited financial statements, access to Board minutes, the Charity Commission guidance 'The Essential Trustee' and recent publications. The Trustees are actively encouraged to identify any training they may need. The trustees are kept up-to-date with training opportunities and changes in regulatory standards .

The trustees' report was approved by the Board of Trustees.

Mr Tehmur Khan
Trustee

9 January 2023

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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

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

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Opinion

We have audited the financial statements of Islamic Association of North London (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach was as follows:

To identify risks of material misstatement due to irregularities we assessed events or conditions that could lead to irregularities. Our risk assessment procedures included:

- Enquiring of Trustees and management and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect irregularities, as well as whether they have knowledge of any actual, suspected, or alleged fraud or breaches of relevant laws and regulations.
- Reading Board minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the Trustees and management (as required by auditing standards). We communicated with the Trustees and management the policies and procedures in place regarding compliance with laws and regulations.

We identified the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the Charities Act 2011, The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (the SORP), and relevant tax legislation.

In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. We identified the following areas as those most likely to have such an effect: health and safety and employment law, recognising the nature of the Charity's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit cannot be relied upon to detect that breach.

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

As required by auditing standards and considering possible pressures to meet internal key performance indicators and our knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the incorrect accounting period and the risk that management may be able to make inappropriate accounting entries.

We assessed the risks of material misstatement in respect of fraud as follows:

- Our audit team discussed whether there were any areas that were susceptible to misstatement as part of our discussion on fraud;
- We challenged assumptions and judgements made by management in their significant accounting estimates and judgements.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including, designing appropriate audit procedures, including:

- Incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation;
- Inspecting the relevant income agreements and their accounting to confirm their recognition in line with the SORP for different revenue streams;
- Obtaining third party bank confirmations; and
- Assessing the design and effectiveness of controls in place over areas such as procurement and cash.

We considered the extent to which the audit was considered capable of detecting irregularities: There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>.

This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Use of our report

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

Stephen McAlpine (Senior Statutory Auditor)
for and on behalf of SBM Associates Limited

9 January 2023

Chartered Accountants
Statutory Auditor

24 Wandsworth Road
London
SW8 2JW

SBM Associates Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	210,613	139,481	350,094	534,160	123,121	657,281
Charitable activities	4	47,110	-	47,110	22,649	-	22,649
Investments	5	111,928	-	111,928	93,264	-	93,264
Total income		369,651	139,481	509,132	650,073	123,121	773,194
Expenditure on:							
Charitable activities	6	202,158	28,257	230,415	192,396	32,100	224,496
Net gains/(losses) on investments	10	231,664	-	231,664	18,471	-	18,471
Net incoming resources before transfers		399,157	111,224	510,381	476,148	91,021	567,169
Gross transfers between funds		(80,188)	80,188	-	400,000	(400,000)	-
Net movement in funds		318,969	191,412	510,381	876,148	(308,979)	567,169
Fund balances at 1 April 2021		3,840,216	814,042	4,654,258	2,964,068	1,123,021	4,087,089
Fund balances at 31 March 2022		4,159,185	1,005,454	5,164,639	3,840,216	814,042	4,654,258

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

All income and expenditure derive from continuing activities.

ISLAMIC ASSOCIATION OF NORTH LONDON

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11	1,092,652		1,092,930	
Investment properties	12	2,900,000		2,415,000	
		<u>3,992,652</u>		<u>3,507,930</u>	
Current assets					
Debtors	13	31,595		117,862	
Cash at bank and in hand		1,173,864		1,113,541	
		<u>1,205,459</u>		<u>1,231,403</u>	
Creditors: amounts falling due within one year	14	(33,472)		(85,075)	
Net current assets		<u>1,171,987</u>		<u>1,146,328</u>	
Total assets less current liabilities		<u>5,164,639</u>		<u>4,654,258</u>	
Income funds					
Restricted funds		1,005,454		814,042	
Unrestricted funds		4,159,185		3,840,216	
		<u>5,164,639</u>		<u>4,654,258</u>	

The financial statements were approved by the Trustees on 9 January 2023

Mr F Habib
Trustee

Mr F Shahabuddin
Trustee

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	17		213,058		346,443
Investing activities					
Purchase of tangible fixed assets		(11,327)		(1,330)	
Purchase of investment property		(253,336)		(721,529)	
Investment income received		111,928		93,264	
Net cash used in investing activities			(152,735)		(629,595)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			60,323		(283,152)
Cash and cash equivalents at beginning of year			1,113,541		1,396,693
Cash and cash equivalents at end of year			1,173,864		1,113,541

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Islamic Association of North London is a Charitable Incorporated Organisation(CIO).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Freehold buildings	2% on cost
Fixtures and fittings	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	210,613	139,481	350,094	534,160	123,121	657,281
Donations and gifts						
Donations and gifts	166,188	64,217	230,405	363,635	37,354	400,989
Coronavirus Job Retention Scheme grants	23,497	-	23,497	62,571	-	62,571
Membership fees	1,496	-	1,496	1,760	-	1,760
Gift Aid	19,432	-	19,432	105,974	-	105,974
Extension Fund	-	75,264	75,264	-	85,767	85,767
Other	-	-	-	220	-	220
	210,613	139,481	350,094	534,160	123,121	657,281

4 Charitable activities

	Other income	Madrassah fees	Total	Other income	Madrassah fees	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Ancillary income	17,109	30,001	47,110	5,510	17,139	22,649

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	104,843	84,100
Profit on cash deposits	7,085	9,164
	111,928	93,264

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	Charitable grant funding of activities 2022 £	Charitable grant funding of activities 2021 £
Staff costs	139,106	140,741
Depreciation	11,605	12,033
Bank charges	1,852	564
Cleaning materials & waste collection	2,037	1,810
Computer and software expenses	706	6,985
Events, food costs and ancillary activities	509	636
Madrassah expenses	2,618	-
Legal & Professional	860	660
Insurance	2,541	2,083
Investment property repairs and other expenses	13,361	16,654
Light, heat and power for main premises	5,287	3,658
Printing, postage and stationery	563	398
Water rates	594	2,084
Repairs and maintenance from main premises	6,378	2,700
Ramadan expenses	2,562	-
Telephone and broadband	391	504
Other charitable expenditure	3,773	2,996
	<u>194,743</u>	<u>194,506</u>
Grant funding of activities (see note 7)	28,257	25,960
Governance costs (Audit fees)	7,415	4,030
	<u>230,415</u>	<u>224,496</u>
Analysis by fund		
Unrestricted funds	202,158	192,396
Restricted funds	28,257	32,100
	<u>230,415</u>	<u>224,496</u>

7 Grants payable

	Charitable grant funding of activities 2022 £	Charitable grant funding of activities 2021 £
Grants to individuals	28,257	25,960
	<u>28,257</u>	<u>25,960</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	16	20
	<u> </u>	<u> </u>
Employment costs	2022	2021
	£	£
Wages and salaries	135,243	137,053
Social security costs	3,839	3,688
Other pension costs	24	-
	<u> </u>	<u> </u>
	139,106	140,741
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000.

10 Net gains on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	231,664	18,471
	<u> </u>	<u> </u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

	Freehold buildings £	Assets under construction £	Fixtures and fittings £	Total £
Cost				
At 1 April 2021	1,109,434	-	22,609	1,132,043
Additions	-	10,762	565	11,327
At 31 March 2022	1,109,434	10,762	23,174	1,143,370
Depreciation and impairment				
At 1 April 2021	26,966	-	12,147	39,113
Depreciation charged in the year	8,989	-	2,616	11,605
At 31 March 2022	35,955	-	14,763	50,718
Carrying amount				
At 31 March 2022	1,073,479	10,762	8,411	1,092,652
At 31 March 2021	1,082,468	-	10,462	1,092,930

12 Investment property

	2022 £
Fair value	
At 1 April 2021	2,415,000
Additions through external acquisition	253,336
Net gains or losses through fair value adjustments	231,664
At 31 March 2022	2,900,000

Investment property comprises freehold and long leasehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31/03/2022 by a local property estate agent (Ellis & Co Estate and Letting Agents), who is not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2022 £	2021 £
Freehold	2,150,000	1,715,000
Long leasehold	750,000	700,000
	2,900,000	2,415,000

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	-	2,262
Prepayments and accrued income	31,595	115,600
	<u>31,595</u>	<u>117,862</u>

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	27,415	77,915
Accruals and deferred income	6,057	7,160
	<u>33,472</u>	<u>85,075</u>

Included in other creditors is an amount of £26,500 (2021: £77,000) relating to Qard Hasana loan which is unsecured and repayable on demand.

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,092,652	-	1,092,652	1,092,930	-	1,092,930
Investment properties	2,900,000	-	2,900,000	2,415,000	-	2,415,000
Current assets/(liabilities)	166,533	1,005,454	1,171,987	332,286	814,042	1,146,328
	<u>4,159,185</u>	<u>1,005,454</u>	<u>5,164,639</u>	<u>3,840,216</u>	<u>814,042</u>	<u>4,654,258</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17	Cash generated from operations	2022 £	2021 £
	Surplus for the year	510,381	567,169
	Adjustments for:		
	Investment income recognised in statement of financial activities	(111,928)	(93,264)
	Fair value gains and losses on investments	(231,664)	(18,471)
	Depreciation and impairment of tangible fixed assets	11,605	12,033
	Movements in working capital:		
	Decrease/(increase) in debtors	86,267	(76,234)
	(Decrease) in creditors	(51,603)	(44,790)
	Cash generated from operations	213,058	346,443
18	Analysis of changes in net funds		
	The charity had no debt during the year.		

Accounts

**ISLAMIC ASSOCIATION OF NORTH LONDON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

ISLAMIC ASSOCIATION OF NORTH LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Nurul Alam Mr Alnoor Kara Mr Umar Khan- Cheema Mr Mohammed Abdul Basit Mr Faisal Habib Mr Shehu Suleiman Mr Khaled Ahmed Mr Tehmur Khan Mr Furkan Shahabuddin Mr Mohamed Abanur
Charity number	1173839
Registered office	685 High Road North Finchley London UK N12 0DA
Auditor	ZAM Mushtaq Ltd First Floor 2 Woodberry Grove London N12 0DR

ISLAMIC ASSOCIATION OF NORTH LONDON

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ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects of the Charitable Incorporated Organisation (CIO), as laid out in its constitution, are:

- Advancement of religion in accordance with the tenets, philosophy, ideology and traditions of Islam;
- Advancement of education and religious teaching through lectures, structured classes and youth services in accordance with the tenets and teachings of Islam; and
- Relief of such members of the community who are poor and in distress in accordance with the tenets, philosophy, ideology and teachings of Islam.

The trustees have paid due regard to guidance on the public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The demand for the core services of IANL continues to rise by the fact that it serves an increasing Muslim community covering a wide geographical area in the London Borough of Barnet. It is a diverse community originating from a variety of ethnicities and cultures.

IANL provides facilities to facilitate all the daily prayers and is open to the public seven days a week. The prayer facilities are used for the large congregational prayers held on Fridays, during Ramadan and on other important occasions such as the two festivals of Eid.

Achievements and performance

Covid 19

The COVID 19 pandemic has had a crippling effect on the services provided at IANL. All services were suspended including Ramadan, our busiest time of year. Many of the staff at IANL had been placed on the government furlough scheme and as more information became available regarding the virus and the government published medical guidelines this helped plan a coordinated response.

In the initial period of the first lockdown from March to July 2020, IANL organised a community support group where members of IANL assisted the most vulnerable in the community with essential items such as food and medicine.

IANL developed its online platform to continue community engagement at a vital time where members of the community were unable to meet. This helped keep communication channels open and allowed the community to feel they were still part of IANL.

After putting together a detailed risk assessment, taking into account Sharia principles, medical advice and government guidelines, IANL reopened in August 2020 with safety measures, such as social distancing, in place throughout the centre. Wudhu facilities were kept closed and attendees were obliged to bring with them essential items such as a face mask, a prayer mat, and a bag for their shoes.

IANL continues to monitor new guidelines issued by the government and public health authorities updating its working practices accordingly.

Financial review

The results of IANL are shown in the attached financial statements. The net surplus for the year was £567,169 (2020: £842,477) as detailed in the Statement of Financial Activities.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Reserves policy

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of charity's unrestricted expenditure, net of fixed investment income. The trustees consider that, in the event of a downturn in the receipt of donations, this level will provide necessary funds to ensure that support and governance costs are covered. The trustees consider that this level is sufficient, given the continuing returns from the investments and as the giving of donations' tradition is strong in the community of such a faith-based organisation.

Principal funding sources

The principal funding sources for the unrestricted funds are the general collections, standing orders, gift aid and investment income. In addition IANL has collected restricted funds for the extension appeal as well as restricted Sadaqah and Zakat funds which have been used towards providing financial aid as disclosed further in the Trustees' Report.

IANL raised £363,635 through voluntary donations in the year.

Fundraising from individuals is carefully controlled following internal processes and all public donations involve individuals directly approaching the charity. No professional fundraisers have been used and no undue pressure has been placed on any individual to donate to the charity.

Investment policy and objectives

IANL operates an investment policy to grow the assets so that returns can be used to further its aims as set out in the constitution document and activities, as well as to meet the Charity's costs. The investment level of the Charity is determined by the Board of Trustees, weighing all the appropriate options and being cognisant of IANL's risk appetite which very low, and in the pursuit of IANL's long and short term objectives as set and reviewed by the Board of Trustees from time to time.

IANL properties

At the year-end IANL had invested approximately £2.4m in income generating residential properties, yielding a return of approximately 4.3% on year end value.

The residential properties currently owned by IANL are in the close vicinity to the main mosque building. Subsequent to the year end, IANL has acquired one further residential property, in the same vicinity, for a total consideration of approximately £0.25m.

Some of the properties are currently in the names of trustees and former trustees. These are held under legally binding contracts and trust deeds. IANL has instructed its solicitors to transfer the properties to IANL CIO. The process is expected to be completed in the foreseeable future.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Risk Management

The trustees and management of IANL believe that sound risk management is integral to both good management and good governance practice. Risk management forms an integral part of the charity's decision-making and is incorporated within strategic and operational planning. Risk assessment will be conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission. Any risks or opportunities arising will be identified, analysed and reported at an appropriate level. A risk register covering key strategic risks will be maintained and updated quarterly and more frequently where risks are known to be volatile. A more detailed IANL operational risk register will be maintained by each sub-committee in aspects where this is considered appropriate, taking account of the impact of potential risk and the cost benefit of the exercise. IANL will regularly review and monitor the effectiveness of its risk management framework and update it as necessary and considered appropriate. The next review is scheduled for Q3 2022.

Plans for future periods

IANL will focus its efforts in the coming year on re-establishing its services that were suspended due to Covid-19 and develop its existing operating mechanisms to better its output and serve the community more effectively.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

The charity is a charitable incorporated organisation (CIO).

The charity trustees manage the affairs of the CIO. There must be at least seven and not more than ten charity trustees appointed at a Biennial AGM. The charity trustees may at any time appoint a new charity trustee ("Co-opted Charity Trustee") provided the number of trustees does not exceed fifteen.

To ensure that IANL's strategic objectives are delivered the trustees have set up four committees to oversee their delivery. These are: Develop, Serve, Educate and Promote.

Develop

The purpose of this committee is to:

- Introduce new services and facilities into IANL
- To help IANL to become financially self sufficient.
- And where applicable expand the physical facilities of the IANL Center.

Serve

The purpose of this committee is to:

- Maintain the services offered by IANL and continuously improve their quality
- Raise the standards at a managerial, administrative, guest services and pedagogical levels.

Educate

The purpose of this committee is to:

- Develop a Centre of Excellence for Islamic Learning and Practice
- Provide educational activities for all demographics

Promote

The purpose of this committee is to:

- Maintain links with other key institutions in Barnet
- Position IANL as an integral part of the local Barnet community

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

Mr Nurul Alam

Mr Alnoor Kara

Mr Umar Khan- Cheema

Mr Mohammed Abdul Basit

Mr Faisal Habib

Mr Shehu Suleiman

Mr Khaled Ahmed

Mr Tehmur Khan

Mr Furkan Shahabuddin

Mr Mohamed Abanur

Trustee appointments

Trustees stand for election at an AGM every 2 years. Ballot papers are prepared following receipt of nominations from members of the CIO and the election is overseen by an independent election commissioner. A maximum of 10 Trustees can be appointed at each election. The next Election is scheduled to be held during the January 2022 AGM.

The election commissioner also oversees the election of the President by members of the CIO at the same AGM. Candidates for President must have been elected as a Trustee.

Prior to their appointment, trustees attend an introductory session on the responsibilities and expectations of a trustee at IANL. They are made aware of the aims and objectives of the charity, policies and procedures as well as characteristics and behaviours expected of them when conducting their work at IANL. They are then paired with an existing trustee to help adjust to IANL working practices.

ISLAMIC ASSOCIATION OF NORTH LONDON

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

New trustees receive a copy of the Constitution of the charity, the latest audited financial statements, access to Board minutes, the Charity Commission guidance 'The Essential Trustee' and recent publications. The Trustees are actively encouraged to identify any training they may need. The trustees are kept up-to-date with training opportunities and changes in regulatory standards.

Going Concern

The Trustees have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in early 2020 with regard to the charity's activities. The outbreak has had an impact on the charity's income and activities, however the investment income was unaffected and was able to support the operational costs of IANL. As required by national guidance the charity has gone through periods of closure and restricted activities.

The regular activities of the charity has since the year end been severely curtailed. The Trustees keep under review and assess which activities can begin on a case by case basis, taking into account all the risks associated with such activities.

The Trustees have taken a number of measures to monitor and mitigate the effects of Covid-19 such as health and safety measures for our staff and congregant including social distancing, use of face masks and regular cleaning.

IANL Trustees will continue to monitor and take appropriate actions to ensure that the IANL activities are resumed safely when permitted to do so.

Whilst the outbreak has caused disruption to IANL's income and activities, the Trustees remain confident that IANL will be able to continue its operations.

The trustees' report was approved by the Board of Trustees.

Mr Tehmur Khan

Trustee

Dated: 21 December 2021

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

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

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Opinion

We have audited the financial statements of Islamic Association of North London (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 12,13 and 17 of the financial statements, which describes the ownership of certain fixed assets. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statement to material misstatement and how fraud might occur, including through discussions with the trustees, discussions with our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussion with trustees and by updating of the sector in the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, Financial Reporting Standard 102 and employment law.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company records of breaches of laws and regulations, minutes of meetings and correspondence to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

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

Other matters

ISLAMIC ASSOCIATION OF NORTH LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ISLAMIC ASSOCIATION OF NORTH LONDON

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

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

Tariq Mushtaq (Senior Statutory Auditor)
for and on behalf of ZAM Mushtaq Ltd

21 December 2021

Chartered Certified Accountants
Statutory Auditor

First Floor
2 Woodberry Grove
London
N12 0DR

ZAM Mushtaq Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	3	534,160	123,121	657,281	305,824	876,281	1,182,105
Charitable activities	4	22,649	-	22,649	71,442	-	71,442
Investment income	5	93,264	-	93,264	71,636	-	71,636
Total income		650,073	123,121	773,194	448,902	876,281	1,325,183
Expenditure on:							
Charitable activities	6	192,396	32,100	224,496	237,294	145,412	382,706
Net gains/(losses) on investments	11	18,471	-	18,471	(100,000)	-	(100,000)
Net incoming resources before transfers		476,148	91,021	567,169	111,608	730,869	842,477
Gross transfers between funds		400,000	(400,000)	-	-	-	-
Net movement in funds		876,148	(308,979)	567,169	111,608	730,869	842,477
Fund balances at 1 April 2020		2,964,068	1,123,021	4,087,089	2,852,460	392,152	3,244,612
Fund balances at 31 March 2021		3,840,216	814,042	4,654,258	2,964,068	1,123,021	4,087,089

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

All income and expenditure derive from continuing activities.

ISLAMIC ASSOCIATION OF NORTH LONDON

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	1,092,930		1,103,633	
Investment properties	13	2,415,000		1,675,000	
		<u>3,507,930</u>		<u>2,778,633</u>	
Current assets					
Debtors	14	117,862		41,628	
Cash at bank and in hand		1,113,541		1,396,693	
		<u>1,231,403</u>		<u>1,438,321</u>	
Creditors: amounts falling due within one year	15	<u>(85,075)</u>		<u>(129,865)</u>	
Net current assets		1,146,328		1,308,456	
Total assets less current liabilities		<u>4,654,258</u>		<u>4,087,089</u>	
Income funds					
Restricted funds		814,042		1,123,021	
Unrestricted funds		3,840,216		2,964,068	
		<u>4,654,258</u>		<u>4,087,089</u>	

The financial statements were approved by the Trustees on 21 December 2021

Mr Nurul Alam
Trustee

Mr Faisal Habib
Trustee

ISLAMIC ASSOCIATION OF NORTH LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	19		346,443		893,683
Investing activities					
Purchase of tangible fixed assets		(1,330)		(214)	
Purchase of investment property		(721,529)		-	
Investment income received		93,264		71,636	
Net cash (used in)/generated from investing activities			(629,595)		71,422
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(283,152)		965,105
Cash and cash equivalents at beginning of year			1,396,693		431,588
Cash and cash equivalents at end of year			1,113,541		1,396,693

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Islamic Association of North London is a Charitable Incorporated Organisation (CIO). The registered office is 685 High Road, North Finchley, London N12 0DA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Government grants received in relation to coronavirus job retention scheme are credited to profit and loss account.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

there is a present legal or constructive obligation resulting from a past event
it is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
the amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Tangible fixed assets

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

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

Freehold property	2% on cost
Fixtures and fittings	25% on reducing balance

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

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Asset Lives

The building used as a mosque is written off over 50 years for accounting purposes and fixtures and fittings are written off over 4 years.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Donations and gifts	363,635	37,354	400,989	257,409
Government Grants	62,571	-	62,571	-
Membership fees	1,760	-	1,760	1,893
Gift Aid	105,974	-	105,974	162,897
Extension Fund	-	85,767	85,767	759,412
Other donations	220	-	220	494
	<u>534,160</u>	<u>123,121</u>	<u>657,281</u>	<u>1,182,105</u>
For the year ended 31 March 2020	<u>305,824</u>	<u>876,281</u>		<u>1,182,105</u>
Grants receivable for core activities				
Coronavirus Job Retention Scheme	62,571	-	62,571	-
	<u>62,571</u>	<u>-</u>	<u>62,571</u>	<u>-</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Madrassah fees 2021 £	Other income 2021 £	Total 2021 £	Total 2020 £
Performance related grants	-	-	-	11,669
Ancillary income	17,139	5,510	22,649	59,773
	<u>17,139</u>	<u>5,510</u>	<u>22,649</u>	<u>71,442</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

For the year ended 31 March 2020

	CIO Activities	Ramadan Income	Madrassah fees	Youth & Dawah	Nikkah Fee income	Other income	Total 2020
	£	£	£	£	£	£	£
Performance related grants	11,669	-	-	-	-	-	11,669
Ancillary income	-	8,092	39,687	1,795	850	9,349	59,773
	<u>11,669</u>	<u>8,092</u>	<u>39,687</u>	<u>1,795</u>	<u>850</u>	<u>9,349</u>	<u>71,442</u>
	<u><u>11,669</u></u>	<u><u>8,092</u></u>	<u><u>39,687</u></u>	<u><u>1,795</u></u>	<u><u>850</u></u>	<u><u>9,349</u></u>	<u><u>71,442</u></u>
Analysis by fund							
Unrestricted funds	11,669	8,092	39,687	1,795	850	9,349	71,442
	<u>11,669</u>	<u>8,092</u>	<u>39,687</u>	<u>1,795</u>	<u>850</u>	<u>9,349</u>	<u>71,442</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Investment income

	Unrestricted funds	Total
	2021 £	2020 £
Rental income	84,100	69,887
Return on monies on deposit	9,164	1,749
	<u>93,264</u>	<u>71,636</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	CIO activities 2021 £	Ramadan Expenditure 2021 £	Madrassah Expenditure 2021 £	Total 2021 £	Total 2020 £
Staff costs	140,741	-	-	140,741	151,939
Depreciation and impairment	12,033	-	-	12,033	11,750
Bank charges	564	-	-	564	1,490
Cleaning materials	881	-	-	881	1,833
Computer and software expenses	6,985	-	-	6,985	7,068
Events, food costs and ancillary activities	636	-	-	636	23,417
Friday Imams travel expenses	-	-	-	-	200
Legal & Professional front extension	660	-	-	660	2,418
Insurance	2,083	-	-	2,083	2,024
Investment property repairs and other expenses	16,654	-	-	16,654	11,440
Light, heat and power for main premises	3,658	-	-	3,658	7,658
Printing, postage and stationery	398	-	-	398	1,181
Water rates	2,084	-	-	2,084	3,140
Repairs and maintenance for main premises	2,700	-	-	2,700	10,182
Sundry expenses	2,700	-	-	2,700	3,372
Telephone and broadband	504	-	-	504	407
Waste collection	929	-	-	929	1,099
Other charitable expenditure	296	-	-	296	-
	<u>194,506</u>	<u>-</u>	<u>-</u>	<u>194,506</u>	<u>240,618</u>
Grant funding of activities (see note 7)	25,960	-	-	25,960	139,088
Share of governance costs (see note 8)	4,030	-	-	4,030	3,000
	<u>224,496</u>	<u>-</u>	<u>-</u>	<u>224,496</u>	<u>382,706</u>
Analysis by fund					
Unrestricted funds	192,396	-	-	192,396	237,294
Restricted funds	32,100	-	-	32,100	145,412
	<u>224,496</u>	<u>-</u>	<u>-</u>	<u>224,496</u>	<u>382,706</u>
For the year ended 31 March 2020					
Unrestricted funds	215,422	18,059	3,813		237,294
Restricted funds	145,412	-	-		145,412
	<u>360,834</u>	<u>18,059</u>	<u>3,813</u>		<u>382,706</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Grants payable

	Charitable Grant Funding of activities 2021 £	Charitable Grant Funding of activities 2020 £
Grants to institutions:		
African Development Trust	-	2,500
Imran Khan Cancer Hospital	-	2,500
Interpal	-	2,500
Syria Relief	-	2,500
Homeless Action in Barnet (HAB)	-	1,400
Appeals by Third Party UK charities in Ramadan	-	59,699
Other	-	2,695
	-	73,794
Grants to individuals	25,960	65,294
	25,960	139,088

8 Support costs

	Governance costs £	2021 £	2020 £
Audit fees	4,030	4,030	3,000
	4,030	4,030	3,000
Analysed between Charitable activities	4,030	4,030	3,000

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Imams, administrative, madrassa and support staff	20	20

Employment costs

	2021 £	2020 £
Wages and salaries	137,053	146,266
Social security costs	3,688	5,673
	140,741	151,939

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Revaluation of investments	18,471	(100,000)

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	1,109,434	21,279	1,130,713
Additions	-	1,330	1,330
At 31 March 2021	1,109,434	22,609	1,132,043
Depreciation and impairment			
At 1 April 2020	17,977	9,103	27,080
Depreciation charged in the year	8,989	3,044	12,033
At 31 March 2021	26,966	12,147	39,113
Carrying amount			
At 31 March 2021	1,082,468	10,462	1,092,930
At 31 March 2020	1,091,457	12,176	1,103,633

IANL CIO acquired by transfer, the assets and liabilities of the IANL Trust on 1 April 2018. The freehold property ownership at the date of signing the financial statements is still in the name of the holding trustees of the old unincorporated structure. The application to transfer the title deeds has been lodged at the Land Registry and is awaiting due process.

13 Investment property

	2021 £
Fair value	
At 1 April 2020	1,675,000
Additions through external acquisition	721,529
Net gains or losses through fair value adjustments	18,471
At 31 March 2021	2,415,000

Investment property comprises freehold and long leasehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2021 by a local property estate agent, who is not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

IANL CIO acquired by transfer the assets and liabilities of the IANL Trust on 1 April 2018. At the date of signing the financial statements, ownership of the investment properties bought since 1 April 2018 are held in the names of former and current trustees of the CIO. A Trust Deed is in place for each of the investment properties whereby these properties are held in Trust for the charity.

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Investment property (Continued)

	2021 £	2020 £
Freehold	1,715,000	725,000
Long leasehold	700,000	950,000
	<u>2,415,000</u>	<u>1,675,000</u>

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	2,262	6,234
Prepayments and accrued income	115,600	35,394
	<u>117,862</u>	<u>41,628</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	77,915	121,465
Accruals and deferred income	7,160	8,400
	<u>85,075</u>	<u>129,865</u>

Included in other creditors is an amount of £77,000 (£120,500) relating to Qard Hasana loan which is unsecured and repayable on demand.

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	1,092,930	-	1,092,930	1,103,633	-	1,103,633
Investment properties	2,415,000	-	2,415,000	1,675,000	-	1,675,000
Current assets/ (liabilities)	332,286	814,042	1,146,328	185,435	1,123,021	1,308,456
	<u>3,840,216</u>	<u>814,042</u>	<u>4,654,258</u>	<u>2,964,068</u>	<u>1,123,021</u>	<u>4,087,089</u>

ISLAMIC ASSOCIATION OF NORTH LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Related party transactions

Mr PA Sufi (former trustee), Mr M Rashid (former trustee), Mr E Hosany (former trustee), and Mr N Alam (current trustee) hold the title to the investment properties in trust on behalf of the charity.

18 Transfers from Restricted Funds

There was a transfer of £400,000 from restricted funds to general funds in the year.

19 Cash generated from operations	2021 £	2020 £
Surplus for the year	567,169	842,477
Adjustments for:		
Investment income recognised in statement of financial activities	(93,264)	(71,636)
Fair value gains and losses on investments	(18,471)	100,000
Depreciation and impairment of tangible fixed assets	12,033	11,750
Movements in working capital:		
(Increase)/decrease in debtors	(76,234)	6,361
(Decrease)/increase in creditors	(44,790)	4,731
Cash generated from operations	346,443	893,683

20 Analysis of changes in net funds

The charity had no debt during the year.