

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

CONTENTS

	Page
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 23

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
	<u>1,109,434</u>	<u>717,574</u>	<u>31,969</u>	<u>1,858,977</u>
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
	<u>53,932</u>	<u>-</u>	<u>19,435</u>	<u>73,367</u>
At 31 March 2024	53,932	-	19,435	73,367
Carrying amount				
At 31 March 2024	<u>1,055,502</u>	<u>717,574</u>	<u>12,534</u>	<u>1,785,610</u>
At 31 March 2023	<u>1,064,490</u>	<u>144,312</u>	<u>10,272</u>	<u>1,219,074</u>

14 Investment property

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

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
	<u>2,850,000</u>	<u>2,975,000</u>

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			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.