

**Rabbaniah Islamic Cultural Centre**  
**Unaudited Financial Statements**  
**5 September 2020**

**SNK ASSOCIATES**

Chartered Certified Accountants  
Broadway House  
Broadway  
Cardiff  
CF24 1PU

# **Rabbaniah Islamic Cultural Centre**

## **Financial Statements**

**Year ended 5 September 2020**

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# **Rabbaniah Islamic Cultural Centre**

## **Trustees' Annual Report**

**Year ended 5 September 2020**

The trustees, present their report and the unaudited financial statements of the charity for the year ended 5 September 2020.

### **Reference and administrative details**

**Registered charity name** Rabbaniah Islamic Cultural Centre

**Charity registration number** 1176290

**Company registration number**

**Principal office and registered**

**The trustees**  
Mr H Ahmad  
Mr R M Naeem  
Mr K Farid  
Mr MD M Uddin

**Independent examiner**  
Akhtar Ali Mir FCPA, ACIE  
Independent Examiner  
SNK Associates  
Broadway House  
Broadway  
Cardiff  
CF24 1PU

# **Rabbaniah Islamic Cultural Centre**

## **Trustees' Annual Report** *(continued)*

**Year ended 5 September 2020**

### **Objectives and activities**

#### **Objectives and Activities**

The objects of the charity are set out in the charity's trust deed and are summarised as follows:

1. to advance the Islamic religion for the benefit of the public through the holding of prayer meetings, lectures, public celebration of religious festivals producing and/or distributing literature on the Islamic faith to enlighten others about the Islamic religion;

2) to advance education;

3) to prevent or relieve poverty;

4) the promotion of religious harmony for the benefit of the public by:

(a) educating the public in different religious beliefs including an awareness of their distinctive features and their common ground to promote good relations between persons of different faiths;

(b) promoting knowledge and mutual understanding and respect of the beliefs and practices of different religious faiths;

5) to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life;

6) to promote social inclusion for the public benefit by working with people who are socially excluded on the grounds of their ethnic origin, religion, belief or creed (in particular, members of the Muslim community) to relieve the needs of such people and assist them to integrate into society;

7) to further such other charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the trustees may from time to time determine.

Our objectives are set to reflect our faith and community aims. Our trustees regularly review our objectives and activities to ensure they continue to reflect our aims. The trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

Our charity aims remain to provide a facility where Muslims can worship and to provide a community facility for all the inhabitants of Grangetown and surrounding areas. Our longterm ambition is to build the self-confidence of Cardiff Muslims in their faith, and through our community facilities and activities help make our area a peaceful, vibrant and harmonious community.



# **Rabbaniah Islamic Cultural Centre**

## **Trustees' Annual Report** *(continued)*

**Year ended 5 September 2020**

### **Achievements and performance**

How the centre's activities deliver public benefit

The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to those who worship at the centre and the wider community of Cardiff.

#### **Religious activities**

Our centre provides a place for prayers and worship and for other activities associated with faith. During the year under review, the centre offered a range of religious services and activities including:

Prayers: The centre is open all day for daily and Friday prayers. During the week, over 100 people regularly attend daily prayers and over 400 regularly attend Friday prayers.

Festivals: The centre prepares food during Ramadan for those attending who wish to break their fast together. Eid is also celebrated at the centre.

#### **Funeral facilities:**

The centre provides a complete funeral service in line with the teachings of Islam. We relieve the deceased's bereaved relatives of the burden of organising burials. We also hold special classes to teach people how to proceed with Islamic burial procedures.

#### **Marriage (Nikkah):**

The centre provides Muslim couples with an appropriate location for their Nikkah (Islamic marriage). Numerous couples were married at the centre in the year. Islamic classes: Learning how to recite the Qur'an is considered an important element of religious education and training. Our centre continues to provide this facility for the young people in the Grangetown community. Management is pleased to report this programme continues to run successfully, with over 150 young people regularly attending these classes.

#### **Islamic awareness:**

This year the centre has launched a series of lectures, open to all, to promote Islamic knowledge and awareness.

#### **Zakat (Charity):**

It is a fundamental part of the Islamic faith that all who are able to, should offer Zakat. Zakat is collected in proportion to a person's means, in accordance with the teaching of Islam, and is the giving of money for the poor. A Muslim need not give Zakat through the centre, but it does provide opportunities for its attendees to give Zakat and/or arrange its distribution for approved purposes. The Trustees of the centre collect and distribute the Zakat, none of which is used to fund the centre itself. The centre makes no charge for the collection and distribution of Zakat. This year, the Zakat was distributed to help the needy in Asia suffering poverty or with no means of support.

#### **Surgeries:**

Every Friday after prayers a surgery is held with local councillors giving the community an opportunity to discuss matters of concern.

Plans

# Rabbaniyah Islamic Cultural Centre

## Trustees' Annual Report *(continued)*

**Year ended 5 September 2020**

### **Plans for future periods**

Two further properties had been purchased (29 & 31 Clare Road) over the past two years. However, much renovation was required. Continuous efforts will be made to raise funds for this cause. Due to Covid-19, many of the events we hold have been limited, however, we plan to continue these events if Covid-19 restrictions ease.

We intend to maintain our existing range of community activities, within the Welsh Government Covid guidelines, working in partnership with the community and to further develop our community projects. We continue to place great importance on sharing a good understanding of Islam with our non-Muslim neighbours.

The trustees' annual report was approved on 17/09/2021 and signed on behalf of the board of trustees by:

Mr H Ahmad  
Trustee



Mr R M Naeem  
Trustee





# **Rabbaniah Islamic Cultural Centre**

## **Independent Examiner's Report to the Trustees of Rabbaniah Islamic Cultural Centre**

**Year ended 5 September 2020**

I report to the trustees on my examination of the financial statements of Rabbaniah Islamic Cultural Centre ('the charity') for the year ended 5 September 2020.

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

As the trustees of the company you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').


Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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

*17th Sept. 2021*

# Rabbaniah Islamic Cultural Centre

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

Year ended 5 September 2020

		2020		2019
	Note	Unrestricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>				
Donations and legacies	3	57,109	57,109	188,099
<b>Total income</b>		<u>57,109</u>	<u>57,109</u>	<u>188,099</u>
<b>Expenditure</b>				
Expenditure on raising funds:				
Costs of raising donations and legacies	4	29,626	29,626	29,255
<b>Total expenditure</b>		<u>29,626</u>	<u>29,626</u>	<u>29,255</u>
<b>Net income and net movement in funds</b>		<u>27,483</u>	<u>27,483</u>	<u>158,844</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		317,541	317,541	158,697
<b>Total funds carried forward</b>		<u>345,024</u>	<u>345,024</u>	<u>317,541</u>

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

The notes on pages 8 to 13 form part of these financial statements.



# Rabbaniah Islamic Cultural Centre

## Statement of Financial Position

5 September 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	7	113,161	52,439
Tangible fixed assets	8	379,338	379,438
		<u>492,499</u>	<u>431,877</u>
<b>Current assets</b>			
Cash at bank and in hand		1,233	928
<b>Creditors: amounts falling due within one year</b>	9	519	—
<b>Net current assets</b>		<u>714</u>	<u>928</u>
<b>Total assets less current liabilities</b>		<u>493,213</u>	<u>432,805</u>
<b>Creditors: amounts falling due after more than one year</b>	10	148,189	115,264
<b>Net assets</b>		<u>345,024</u>	<u>317,541</u>
<b>Funds of the charity</b>			
Unrestricted funds		345,024	317,541
<b>Total charity funds</b>	12	<u>345,024</u>	<u>317,541</u>

For the year ending 5 September 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

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

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

These financial statements were approved by the board of trustees and authorised for issue on 17/09/2021, and are signed on behalf of the board by:

Mr H Ahmad  
Trustee



Mr R M Naeem  
Trustee



The notes on pages 8 to 13 form part of these financial statements.

# **Rabbaniah Islamic Cultural Centre**

## **Notes to the Financial Statements**

**Year ended 5 September 2020**

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

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

### **2. Accounting policies**

#### **Basis of preparation**

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

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

#### **Going concern**

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

#### **Fund accounting**

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

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

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

#### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.



# **Rabbaniah Islamic Cultural Centre**

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

**Year ended 5 September 2020**

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

#### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

#### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

#### **Research and development**

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

# **Rabbaniah Islamic Cultural Centre**

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

**Year ended 5 September 2020**

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

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

#### **Financial instruments**

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

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

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

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



# Rabbaniah Islamic Cultural Centre

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

Year ended 5 September 2020

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

#### Financial instruments *(continued)*

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

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

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

### 3. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
<b>Donations</b>				
Donations	51,506	51,506	188,099	188,099
<b>Grants</b>				
Furlough Grant	5,603	5,603	–	–
	<u>57,109</u>	<u>57,109</u>	<u>188,099</u>	<u>188,099</u>

### 4. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Costs of raising donations and legacies - Donations	<u>29,626</u>	<u>29,626</u>	<u>29,255</u>	<u>29,255</u>

### 5. Net income

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>1,594</u>	<u>1,126</u>

# Rabbaniah Islamic Cultural Centre

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

Year ended 5 September 2020

### 6. Staff costs

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

	2020	2019
	£	£
Wages and salaries	17,519	17,263
Employer contributions to pension plans	439	96
	<u>17,958</u>	<u>17,359</u>

The average head count of employees during the year was Nil (2019: 2).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

### 7. Intangible assets

	Development costs £
<b>Cost</b>	
At 6 September 2019	52,439
Additions	60,722
<b>At 5 September 2020</b>	<u>113,161</u>
<b>Amortisation</b>	
At 6 September 2019 and 5 September 2020	—
<b>Carrying amount</b>	
<b>At 5 September 2020</b>	<u>113,161</u>
At 5 September 2019	<u>52,439</u>

### 8. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 6 September 2019	372,465	8,269	380,734
Additions	—	1,494	1,494
<b>At 5 September 2020</b>	<u>372,465</u>	<u>9,763</u>	<u>382,228</u>
<b>Depreciation</b>			
At 6 September 2019	—	1,296	1,296
Charge for the year	—	1,594	1,594
<b>At 5 September 2020</b>	<u>—</u>	<u>2,890</u>	<u>2,890</u>
<b>Carrying amount</b>			
<b>At 5 September 2020</b>	<u>372,465</u>	<u>6,873</u>	<u>379,338</u>
At 5 September 2019	<u>372,465</u>	<u>6,973</u>	<u>379,438</u>

# Rabbaniah Islamic Cultural Centre

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

Year ended 5 September 2020

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

	2020	2019
	£	£
Accruals and deferred income	519	—

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

	2020	2019
	£	£
Bank loans and overdrafts	147,560	114,960
Social security and other taxes	629	304
	<u>148,189</u>	<u>115,264</u>

### 11. Pensions and other post retirement benefits

#### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £439 (2019: £96).

### 12. Analysis of charitable funds

#### Unrestricted funds

	At 6 September 2019 £	Income £	Expenditure £	At 5 September 2020 £
General funds	<u>317,541</u>	<u>57,109</u>	<u>(29,626)</u>	<u>345,024</u>

	At 6 September 2018 £	Income £	Expenditure £	At 5 September 2019 £
General funds	<u>158,697</u>	<u>188,099</u>	<u>(29,255)</u>	<u>317,541</u>

# **Rabbaniah Islamic Cultural Centre**

## **Management Information**

**Year ended 5 September 2020**

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



**Rabbaniah Islamic Cultural Centre**  
**Detailed Statement of Financial Activities**  
**Year ended 5 September 2020**

	2020 £	2019 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Donations	51,506	188,099
Furlough Grant	5,603	—
	<u>57,109</u>	<u>188,099</u>
 <b>Total income</b>	 <u>57,109</u>	 <u>188,099</u>
 <b>Expenditure</b>		
<b>Costs of raising donations and legacies</b>		
Wages and salaries	17,519	17,263
Staff Pension	439	96
Rates & water	271	158
Light & heat	5,818	7,452
Repairs & maintenance	1,227	1,820
Insurance	1,015	984
Sundry Expense	133	77
Legal and professional fees	712	—
Printing, Postage and Stationery	261	280
Depreciation	1,594	1,125
Bank Charge	20	—
Cleaning	617	—
	<u>29,626</u>	<u>29,255</u>
 <b>Total expenditure</b>	 <u>29,626</u>	 <u>29,255</u>
 <b>Net income</b>	 <u>27,483</u>	 <u>158,844</u>

# Rabbaniah Islamic Cultural Centre

## Notes to the Detailed Statement of Financial Activities

Year ended 5 September 2020

	2020 £	2019 £
<b>Costs of raising donations and legacies</b>		
<b>Costs of raising donations and legacies - Donations</b>		
Wages and salaries	17,519	17,263
Staff Pension	439	96
Rates & water	271	158
Light & heat	5,818	7,452
Repairs & maintenance	1,227	1,820
Insurance	1,015	984
Sundry Expense	133	77
Legal and professional fees	712	—
Printing, Postage and Stationery	261	280
Depreciation	1,594	1,125
Bank Charge	20	—
Cleaning	617	—
	<u>29,626</u>	<u>29,255</u>
<b>Costs of raising donations and legacies</b>	<u>29,626</u>	<u>29,255</u>