

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE ISLAMIC ASSOCIATION OF LINCOLN**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee (registered number 11084296) which was incorporated on 27 November 2017 and achieved charitable status on 07 September 2018 (registered number 1179846).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company which is governed by its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

As set out in the charity's Articles of Association new trustees or directors or directors who are permitted by law to do so, may be appointed to be a director either by:

- (a) A resolution of the Directors; or
- (b) Elected by simple majority at an annual general meeting of the local Muslim community (such election to be arranged by the Directors).

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are included in the notes to the financial statements.

Organisational structure

The Islamic Association of Lincoln is organised so that its management committee of trustees meet regularly to manage its affairs and formulate policy.

All committee members have responsibility for certain areas, e.g chairman. Treasurer. Secretary, social officer, education officer and maintenance officer. Committee members work in collaboration and monthly meetings are held. Both brothers and sisters' executive advisory committees report back to the trustees regularly. The Islamic Association of Lincoln regularly reviews its governance and structure. The association will establish new young boys and girls executive committee as outlined in the constitution.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on legal obligations under charity law, the content of the charity's constitution, the committee and decision - making processes and the recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the understanding of their role.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity has secured funds to support the support work, promotion and raising awareness and in part the administrative costs, building running costs, management and administration salary costs for the coming year and beyond. The Association ensure children are safely looked after in the evening teaching classes and all teachers have appropriate training for safeguarding and children safety. The Association has a Madrassa liaison officer who acts as the first point of contact for parents and teachers. The officer liaises with the mosque committee and trustees in all matters of child protection. The liaison officer has made necessary arrangements with the voluntary centre services at Lincoln city Council for the regular checking of DBS for our madrassa teachers.

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The bank account has a complex mandate in place which means all cheques or invoice payments require two signatories and two signatories are required for any changes to the bank account such as setting up standing orders etc.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11084296 (England and Wales)

Registered Charity number

1179846

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Registered office

Lincoln Central Mosque & Cultural Centre
Dixon Street
Lincoln
Lincolnshire
LN6 7DA

Trustees

Dr R Zafar
Dr T Ahmed - Chairman
Mr A Rafique
Dr M Z Qureshi

Independent Examiner

Hamid Bukhari
49 Monastery Drive
Solihull
West Midlands
B91 1DW

Bankers

Barclays Bank Plc
Unit 1, City Office Park
Tritton Road
LINCOLN
Lincolnshire
LN6 7DA

OBJECTIVES AND ACTIVITIES

Objectives and activities for the public benefits

The Islamic Association of Lincoln's objects and principal activities are set out in the charity's constitution, adopted by special resolution passed on 21 October 2017, are summarised as follows.

- a) Arrange and hold congregational prayers and Islamic religious activities.
- b) Promote unity and joint activities among the Lincoln Muslim community;
- c) Conduct social, cultural and religious activities in accordance with Islamic tradition (and not against the Islamic tradition or teachings);
- d) Provide channels for better communication and understanding between Muslims in Lincoln and wider Lincoln community in general.
- e) Contribute to the local community by promoting and participating in projects related to areas and social concern; and
- f) Provide services to members of the Muslim community relating to, for example, Islamic educations, Islamic marriage, birth, death and burials in accordance with Islamic teaching.

To do all such things, as are consistent with the above and charity law and which are considered as conducive to principal objects.

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

In deciding which activities, the charity will pursue, the trustee have had due regard to the guidance issued by the charity commission on public benefit.

REPORT OF THE TRUSTEES
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The Achievements and performance for 2020

As mentioned above the charity has continued the charitable work of the Islamic association. The charity carries out a range of activities in pursuance of its charitable aims:

We are very pleased that the first purpose-built mosque in Lincolnshire opened its door in April 2018. The mosque has dedicated praying halls for sisters, brothers and two additional halls for community activities/teaching for boys and girls. In addition, there are regular teaching/social activities for teenage boys, girls and adults.

Arabic and Islamic studies are taught to children aged 5-16 on weekday evenings.

Daily five time prayers are conducted at our premises on Dixon street in our mosque while limited day prayers take place at Orchard street, Lincoln.

Since the opening of the new mosque, all lectures and social functions have taken place there.

Knowledge about Islam and Muslim culture is disseminated to the general public via distribution of leaflets, books and tapes. These are distributed free of charge.

Since the opening thousands of school children visited our new mosque and have learnt about Islam as part of their Religious Education teaching. In 2019, around 70 organisations or over 3,200 visitors visited the mosque which includes schools, Royal Air Forces, the Lincolnshire Police, scouts, faith organisations and charitable organisations. *In 2020, due to countrywide restrictions, visits to the mosque had been drastically cut-short, however, virtual tours were still carried out at the request of some organisations.*

In 2020, the mosque experienced unprecedented challenges due to COVID. To minimise risks to community members and in line with the new Directives of the UK Government, on 20th March 2020 the Board of Trustees in consultation with the Executive Committees and the mosque management made a decision to close the Lincoln Central Mosque and Cultural Centre for all activities until further notice. In addition, Lincoln Muslims was unable to perform tarweeh prayers during the holy month of Ramadan. During this difficult time, the head Imam and head of the Madrassa worked hard and was instrumental in arranging online madrassa classes after a short break. The Association also started online lectures. Due to the closure of the mosque, there was some impact on donations, but we are grateful to our community members who continued to donate even in a difficult time. The Association also started a food bank service to help those who were unable to afford food.

The Association put a contingency plan in place and consequently purchased all necessary equipment and material for the burial of those who die due to COVID. Several volunteer brothers and sisters were trained and ready to make sure that those who died due to COVID receive proper ghosol. The association also made a necessary arrangement with the City Council to offer Muslim graves in Lincoln for other counties across the country if there was a shortage of graves.

In 2020, the Association currently has seven employees, including four part-time teachers.

FINANCIAL REVIEW

Financial review

During previous years, The Islamic Association of Lincoln have been very busy and actively raising funds for the day to day running of the mosque. In 2019, the Association paid Qarde-I-Hasana (Goodwill loans) and in 2020 built enough reserve which were helpful even in a difficult time when the mosque was closed due to COVID. At the year end the mosque is still held within the accounts of the Islamic association despite the charitable company operating from there.

We have a policy of recording donations and providing receipts so that we can claim gift aid in a correct manner, we are constantly improving our practices in financial management. In addition, we have regular standing order and cash/cheque donations to cover our day to day expenses including wages and salaries. We are very open and transparent in our accounts and now have a respectable Accountancy firm looking after our accounts. There is a dedicated volunteer treasurer on the committee and the trustees are very happy with company's finances and accounts

Reserves policy

The trustees have reviewed the reserves of the charity. The policy is to hold enough funds to meet six months estimated operating

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FOR THE YEAR ENDED 31 DECEMBER 2020**

costs of the Charity for the following year. This currently equates to approximately £29,850. On 31 December 2020 free reserves of the charity were £74,410. The trustees consider that with little future capital expenditure planned, they are in a strong position to maintain the reserves at the level anticipated.

PLANS FOR THE FUTURE

The Islamic Association of Lincoln and the local Muslim community is very excited by the new Mosque which opened during the summer of 2018. We hope to continue to expand our activities in the future. The Mosque has been open for school visits and we are planning to expand our services further and our Imams have started visiting schools to break barriers and raise awareness about religion. We have been planning to expand evening school services and plan to enrol more students. To assist with this a head of madrassa and a teacher have been appointed to help move the Charity forward in future years.

The Association has now 7 teachers involved in teaching of madarassa children. This helped to reduce the size of classes so we can focus on improving the quality of teaching.

The trustees have had detailed consultation with UK based scholars, to understand what we can do with the old Orchard Street Mosque. Some options were considered i.e to build flats but after the detailed consultation, the trustees made recommendations that it will be the best for several reasons to demolish the Orchard Street site and rebuild a two-storey mosque and to maintain as a mosque. This proposal was supported by all members of both Executive Advisory committees and both the imams.

We also have vision to work with members of the BAME community irrespective of religion or race, to see how we can of help and assistance in matters they may have difficulties with.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 23 December 2021 and signed on its behalf by:

Doctor T Ahmed – Chairman – Board of Trustee

Independent examiner's report to the trustees of The Islamic Association of Lincoln ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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 can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies.

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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.

Mr Hamid Bukhari FCCA
49 Monastery Drive
Solihull
West Midlands
B91 1DW

23 December 2021

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		104,316	-	104,316	271,796
Investment income		14		14	52
Charitable activities					
Funeral		-	20,300	20,300	
Other trading activities	2	<u>18,401</u>	<u>-</u>	<u>18,401</u>	<u></u>
Total		122,731	20,300	143,031	271,848
EXPENDITURE ON					
Charitable activities					
Core		33,990	18,960	52,950	207,257
Support costs		39,399		39,399	40,863
Total		<u>73,390</u>	<u>18,960</u>	<u>92,349</u>	<u>248,120</u>
NET INCOME/(EXPENDITURE)		49,342	1,340	50,682	23,728
RECONCILIATION OF FUNDS					
Total funds brought forward				23,728	
TOTAL FUNDS CARRIED FORWARD		<u>49,342</u>	<u>1,340</u>	<u>74,410</u>	<u>23,728</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	7	12,200		12,200	11,900
CURRENT ASSETS					
Debtors	8	1,003	-	1,003	6,543
Cash at bank and in hand		<u>66,286</u>	<u>1,340</u>	<u>67,626</u>	<u>13,543</u>
		67,289	1,340	68,629	20,086
CREDITORS					
Amounts falling due within one year	9	(6,419)	-	(6,419)	(8,258)
NET CURRENT ASSETS		<u>60,870</u>	<u>1,340</u>	<u>62,210</u>	<u>11,828</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>73,070</u>	<u>1,340</u>	<u>74,410</u>	<u>23,728</u>
NET ASSETS		<u>73,070</u>	<u>1,340</u>	<u>74,410</u>	<u>23,728</u>
FUNDS	10				
Unrestricted funds				73,070	23,728
Restricted funds				<u>1,340</u>	
TOTAL FUNDS				<u>74,410</u>	<u>23,728</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

BALANCE SHEET
31 DECEMBER 2020

The financial statements were approved by the Board of Trustees and authorised for issue on 23 December 2021 and were signed on its behalf by:

Doctor T Ahmed - Trustee

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Not provided
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**2. OTHER TRADING ACTIVITIES**

	2020	2019
	£	£
Rental income	<u>11,199</u>	<u> </u>

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	<u>1,733</u>	<u>1,678</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

2020	2019
7	2

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	85,449		86,437
Gift aid	18,867		18,867
Car park rent	11,199		11,199
Other income	14		14
Charitable activities			
Funeral	-	20,300	20,300
CJRS grant	<u>7,202</u>	<u>-</u>	<u>7,202</u>
Total	122,731	20,300	143,031
EXPENDITURE ON			
Charitable activities			
Charitable activities	33,990	18,960	52,950
Support costs	39,399		39,399
Total	<u>73,389</u>	<u>18,960</u>	<u>92,349</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
NET INCOME/(EXPENDITURE)	49,342	1,340	50,682
RECONCILIATION OF FUNDS			
Total funds brought forward	23,728		23,728
TOTAL FUNDS CARRIED FORWARD	<u>73,070</u>	<u>1,340</u>	<u>74,410</u>

7. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 Jan 2020	2,830	2,662	6,946	1,140	13,578
Additions	<u>-</u>	<u>2,033</u>			<u>2,033</u>
At 31 December 2020	<u>2,830</u>	<u>4,695</u>	<u>6,946</u>	<u>1,140</u>	<u>15,611</u>
DEPRECIATION					
At 1 Jan 2020		316	986	376	1,678
Charge for year		<u>587</u>	<u>894</u>	<u>252</u>	<u>1,733</u>
At 31 December 2020		<u>903</u>	<u>1,880</u>	<u>628</u>	<u>3,411</u>
NET BOOK VALUE					
At 31 December 2019	<u>2,830</u>	<u>2,346</u>	<u>5,960</u>	<u>764</u>	<u>11,900</u>
At 31 December 2020	<u>2,830</u>	<u>3,792</u>	<u>5,066</u>	<u>512</u>	<u>12,200</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	<u>1,003</u>	<u>6,543</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Social security and other taxes	1,477	279
Other creditors	1,838	765
Accrued expenses	<u>3,104</u>	<u>7,214</u>
	<u>6,419</u>	<u>8,258</u>

10. MOVEMENT IN FUNDS

	At 1.1.20	Net movement	At
	£	in funds	31.3.21
	£	£	£
Unrestricted funds			
General fund	23,728	50,682	74,410
	<u>23,728</u>	<u>50,682</u>	<u>74,410</u>
TOTAL FUNDS	<u>23,728</u>	<u>50,682</u>	<u>74,410</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	143,031	(92,349)	50,682
	<u>143,031</u>	<u>(92,349)</u>	<u>50,682</u>
TOTAL FUNDS	<u>143,031</u>	<u>(92,349)</u>	<u>50,682</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. RELATED PARTY DISCLOSURES

During the year the following donations were received from the Trustees/Directors:

Dr R Zafar	£8,150.00
Dr T Ahmed - Chairman	£3,010.00
Mr A Rafique	£325.00
Dr M Z Qureshi	£700.00

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	2021 £	2020
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	85,449	104,268
Gift aid	18,867	15,572
Donated services		151,956
Funeral	20,300	
Other trading activities		
Car park rental income	11,199	0
CJRS grant	7,202	0
Investment income	14	52
Interest received		
Total incoming resources	143,031	271,848
EXPENDITURE		
Charitable activities		
Wages	37,666	24,500
Eid and event expenses	2,727	3,743
Funeral expenses	18,960	4,208
Teaching and religious duties	10,360	22,850
Rent		151,956
	69,713	207,157
Support costs		
Other		
Rates and water	915	375
Insurance	4,248	1,822
Light and heat	4,439	7,667
Telephone	700	820
Printing, postage, stationery, advertising and publications	1,127	595
Sundries	284	584
Repairs and renewals	4,093	15,617
Cleaning	792	999
Computer sundries	144	261
Depreciation of tangible fixed assets	1,733	1,678
	18,475	30,418

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

Finance			
Bank charges		456	272
Accountancy and legal fees		<u>3,705</u>	<u>10,173</u>
Total resources expended		<u>92,349</u>	<u>248,120</u>
Net income		<u>50,682</u>	<u>23,728</u>