

Charity registration number: 1182304

# South Lakes Islamic Centre

Annual Report and Financial Statements

for the Year Ended 5 April 2021

## **South Lakes Islamic Centre**

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## **South Lakes Islamic Centre**

### **Reference and Administrative Details**

<b>Trustees</b>	Dr A Olabi Dr F Amin Dr G Jeelani
<b>Principal Office</b>	Crooklands Brow Dalton-in-Furness Cumbria LA15 8JH
<b>Registered Address</b>	Crooklands Brow Dalton-in-Furness Cumbria LA15 8JH
<b>Charity Registration Number</b>	1182304
<b>Independent Examiner</b>	Shacter Cohen & Bor 31 Sackville Street Manchester M1 3LZ

## **South Lakes Islamic Centre**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 5 April 2021.

#### **Trustees**

Dr A Olabi

Dr F Amin

Dr G Jeelani

#### **Objectives and activities**

##### ***Objects and aims***

The aim is to provide Muslims people with a place of worship.  
To do this the charity has taken up a project to develop a mosque.

To advance the Islamic Religion in South Lakes, Cumbria for the benefit of the public through the holding of prayer meetings, lectures, public celebration of religious festivals, producing and/or distributing literature to enlighten others about the Islamic Religion.

To further or benefit the residents of South Lakes and the neighbourhood, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents.

To establish or secure the establishment of a community centre and to maintain or manage or co-operate with any statutory authority in the maintenance and management of such a centre for activities promoted by the charity in furtherance of the above objects.

##### ***Public benefit***

The purpose of the charity is to benefit Muslims households living in the area covered by charity's activities.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Financial review**

The organisation's income was £68,230 for the year ended 5 April 2021. During the year ended 5 April 2021 the Charity had a surplus of £67,492.

##### ***Policy on reserves***

The trustees have reviewed the reserves policy and, in accordance with Charity Commission guidelines, have considered the level of unrestricted reserves which it is appropriate for the Charity to hold with the imperative that it should be able to continue its charitable objectives in the short term in the event of a temporary shortfall in unrestricted income. The trustees feel that it is appropriate to work to build up reserves to hold sufficient free funds to cover core expenditure required to maintain activities for six months.

## **South Lakes Islamic Centre**

### **Trustees' Report**

#### **Plans for future periods**

##### ***Activities planned to achieve aims***

To promote any charitable purpose for the benefit of the Communities in South Lakes, Cumbria and United Kingdom in general for the following purposes: To establish or to secure the establishment of a community centre, to maintain it, and to manage to co-operate with any local statutory authority in maintenance and management of such a centre.

The Charity plans to organise the following events:

- Madrasa,
- Friday Prayers,
- Eid Events,
- Fundraising Events.

#### **Structure, governance and management**

##### ***Nature of governing document***

As per the register of charities the trustees are the people responsible for controlling the work, management and administration of the charity on behalf of its beneficiaries. Generally trustees are treasurer, chair, board member etc. The trustees are responsible for keeping the list of trustees up to date.

##### ***Organisational structure***

Trustees meet regularly to decide on general direction, goals and policies of the charity and any other specific issues. Day to day administration is carried out by an administrator who reports to the trustees.

##### ***Major risks and management of those risks***

###### ***Risk Management***

The Board of Trustees have considered the major risks to which the Charity is exposed, have reviewed these risks and have established systems and procedures to manage risk.

#### **Financial instruments**

##### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

## South Lakes Islamic Centre

### Trustees' Report

#### *Credit risk*

The charity's principal financial assets are bank balances and cash, donations and other receivables, and investments.

The charity's credit risk is primarily attributable to its donations receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

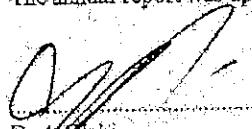
The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

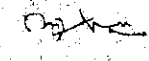
#### *Liquidity risk*

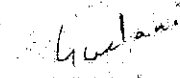
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity may consider a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 18 June 2021 and signed on its behalf by:

  
Dr A. Olabi  
Trustee

  
Dr F Amin  
Trustee

  
Dr G Jeelani  
Trustee

## South Lakes Islamic Centre

### Statement of Trustees' Responsibilities

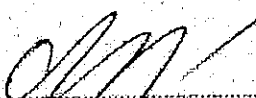
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.


The law applicable to charities 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 period. In preparing these financial statements, the trustees are required to:

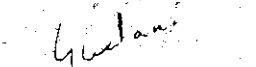
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 business.

The trustees are responsible for keeping proper 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 18 June 2021 and signed on its behalf by:

  
Dr A Ghabi  
Trustee

  
Dr F Amin  
Trustee

  
Dr G Jeelani  
Trustee

## **South Lakes Islamic Centre**

### **Independent Examiner's Report to the trustees of South Lakes Islamic Centre**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 5 April 2021 which are set out on pages 7 to 14.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of South Lakes Islamic Centre you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

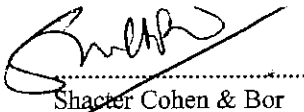
I report in respect of my examination of the South Lakes Islamic Centre's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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

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

1. accounting records were not kept in respect of South Lakes Islamic Centre as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Shacter Cohen & Bor

31 Sackville Street  
Manchester  
M1 3LZ

18 June 2021



# South Lakes Islamic Centre

## Statement of Financial Activities for the Year Ended 5 April 2021

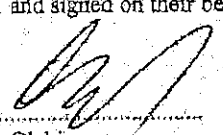
	Note	Unrestricted funds £	Total 2021 £
<b>Income and Endowments from:</b>			
Donations and legacies		68,230	68,230
<b>Expenditure on:</b>			
Charitable activities		(738)	(738)
Total expenditure		(738)	(738)
Net income		67,492	67,492
Net movement in funds		67,492	67,492
<b>Reconciliation of funds</b>			
Total funds brought forward		109,733	109,733
Total funds carried forward		177,225	177,225
		<b>Unrestricted funds £</b>	<b>Total 2020 £</b>
	Note		
<b>Income and Endowments from:</b>			
Donations and legacies		64,957	64,957
Total income		64,957	64,957
<b>Expenditure on:</b>			
Charitable activities		(13,228)	(13,228)
Total expenditure		(13,228)	(13,228)
Net income		51,729	51,729
Net movement in funds		51,729	51,729
<b>Reconciliation of funds</b>			
Total funds brought forward		58,005	58,005
Total funds carried forward		109,734	109,734

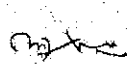
# South Lakes Islamic Centre

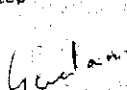
(Registration number: 1182304)  
Balance Sheet as at 5 April 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	127,852	127,852
<b>Current assets</b>			
Debtors	6	496	496
Cash at bank and in hand	7	46,462	13,971
		46,958	14,467
<b>Creditors: Amounts falling due within one year</b>	8	2,415	(32,585)
<b>Net current assets/(liabilities)</b>		49,373	(18,118)
<b>Net assets</b>		177,225	109,734
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		177,225	109,734
<b>Total funds</b>		177,225	109,734

The financial statements on pages 7 to 14 were approved by the trustees, and authorised for issue on 18 June 2021 and signed on their behalf by:

  
Dr A Olabi  
Trustee

  
Dr F Amin  
Trustee

  
Dr G Jeelani  
Trustee

## **South Lakes Islamic Centre**

### **Notes to the Financial Statements for the Year Ended 5 April 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

South Lakes Islamic Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

## **South Lakes Islamic Centre**

### **Notes to the Financial Statements for the Year Ended 5 April 2021**

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

## **South Lakes Islamic Centre**

### **Notes to the Financial Statements for the Year Ended 5 April 2021**

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## South Lakes Islamic Centre

### Notes to the Financial Statements for the Year Ended 5 April 2021

#### *Debt instruments*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### *Investments*

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## South Lakes Islamic Centre

### Notes to the Financial Statements for the Year Ended 5 April 2021

#### *Derivative financial instruments*

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### **2 Income from charitable activities**

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Appeals & Donations	68,230	68,230	64,957

#### **3 Expenditure on charitable activities**

	Activity undertaken directly £	Total 2021 £	Total 2020 £
Legal & Professional costs	-	-	13,228
Computer costs	346	346	-
Bank charges	92	92	-
Repairs and maintenance	300	300	-
	<u>738</u>	<u>738</u>	<u>13,228</u>

# South Lakes Islamic Centre

## Notes to the Financial Statements for the Year Ended 5 April 2021

### 4 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 5 Tangible fixed assets

	Land and buildings £	Total £
Cost		
Additions	127,852	127,852
At 5 April 2021	127,852	127,852
Depreciation		
At 5 April 2021	-	-
Net book value		
At 5 April 2021	127,852	127,852

### 6 Debtors

	2021 £	2020 £
Other debtors	496	496

### 7 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	46,462	13,971

### 8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trustees current accounts	(2,415)	(2,415)
Other creditors	-	35,000
	(2,415)	32,585



# South Lakes Islamic Centre

## Statement of Financial Activities by fund for the Year Ended 5 April 2021

	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b>Income and Endowments from:</b>		
Donations and legacies	68,230	64,957
Total income	68,230	64,957
<b>Expenditure on:</b>		
Charitable activities	(738)	(13,228)
Total expenditure	(738)	(13,228)
Net income	67,492	51,729
Net movement in funds	67,492	51,729
<b>Reconciliation of funds</b>		
Total funds brought forward	109,733	58,005
Total funds carried forward	177,225	109,734