

Charity Registration No. 1189047

NORTHOLT ISLAMIC CENTRE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

NORTHOLT ISLAMIC CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

| | |
|-----------------------|---------------------------|
| Mr Muhammad Arshad | (Appointed 14 April 2020) |
| Mr Muhammad Tareq Ali | (Appointed 14 April 2020) |
| Mr Uzzman Khan | (Appointed 14 April 2020) |
| Mr Said Amouhou | (Appointed 14 April 2020) |
| Mr Shahbaz Meer | (Appointed 14 April 2020) |

Charity number

1189047

Principal address

151 Church Road
Northolt
Middlesex
England
UB5 5AG

Independent examiner

MUS Accountants Limited
125 The Grove
Stratford
London
United Kingdom
E15 1EN

NORTHOLT ISLAMIC CENTRE

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NORTHOLT ISLAMIC CENTRE

TRUSTEES REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The trustees present their annual report and financial statements for the Period ended 31 December 2020. Northolt Islamic Centre (NIC) was registered with charity commission on 14 April 2020 as CIO - Foundation (Charitable incorporated Organisation).

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 [governing document], 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 are to develop a place of worship for Muslims living in and around Northolt. The charity also organises and participates in community events to promote equality, diversity and good race relations.

Public benefit

Northolt Islamic Centre (NIC) meets the Charity Commission public benefit criteria under both the advancement of education and the advancement of citizenship or community development objectives. The trustees have complied with section 17 of Charities Act 2011 with regards to public benefit guidance issued by the Charity Commission.

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

Achievements and performance

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the Period.

The charity has managed to bring in a stable stream of donations and has kept costs at a minimum. The charity also achieved significant results in most cost effective ways possible which is reflected by the retained funds by the charity. The funds can be used to start new charitable projects.

Plans for future periods

NIC is a well established charity organisation supporting Muslim families across Northolt. Our future aim includes:

- a) Continue to diversify funding streams, so that core organisational costs are met from a range of sources
- b) Involving local residents and groups in issues and developments likely to affect quality of life in the local area
- c) Developing new projects and initiatives that meet the current and emerging needs of the Muslim community
- d) Strengthening internal governance structures and broadening the role and involvement of trustees

Structure, governance and management

The charity is a CIO Foundation and is governed by its constitution of a charitable Incorporated Organisation whose only voting members are its charity trustees.

NORTHOLT ISLAMIC CENTRE

TRUSTEES REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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

| | |
|-----------------------|---------------------------|
| Mr Muhammad Arshad | (Appointed 14 April 2020) |
| Mr Muhammad Tareq Ali | (Appointed 14 April 2020) |
| Mr Uzzman Khan | (Appointed 14 April 2020) |
| Mr Said Amouhou | (Appointed 14 April 2020) |
| Mr Shahbaz Meer | (Appointed 14 April 2020) |

All above charity trustees are the first charity trustees and are appointed indefinitely (i.e. for life or until they retire).

None of the trustees has any beneficial interest in the charity. All of the trustees are members of the charity.

On 14 April 2020, Northolt Islamic Centre (Charity registration 1181159) ceased its activities under unincorporated charity structure. The charity was converted to CIO (Charitable Incorporated Organisation).

New charity "Northolt Islamic Centre" was registered on 14 April 2020 under CIO Foundation model having charity registration number 1189047. On this date trustees passed resolution and transferred all assets and liabilities from old charity "Northolt Islamic Centre - charity no: 1181159) to new charity "Northolt Islamic Centre - charity no: 1189047).

Reference and administrative details:

Registered Charity number
1189047

Principal address

151 Church Road
Northolt
UB5 5AG

The trustees report was approved by the Board of Trustees.



Mr Uzzman Khan
Trustees

11 November 2021

NORTHOLT ISLAMIC CENTRE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF NORTHOLT ISLAMIC CENTRE

I report to the trustees on my examination of the financial statements of NORTHOLT ISLAMIC CENTRE (the charity) for the Period ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

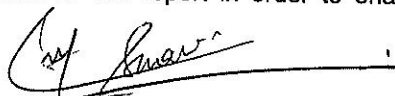
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting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

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable 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 financial statements to be reached.



Muhammad Usman FCCA
MUS Accountants Limited
Chartered Certified Accountants
125 The Grove
Stratford
London
E15 1EN
United Kingdom

Dated: 11 November 2021

NORTHOLT ISLAMIC CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2020

| | Notes | Unrestricted funds 2020 £ |
|-------------------------------------------------------------|-------|------------------------------------|
| <u>Income from:</u> | | |
| Donations and legacies | 3 | 45,647 |
| Charitable activities | 4 | 14,938 |
| Total income | | <u>60,585</u> |
| <u>Expenditure on:</u> | | |
| Charitable activities | 5 | <u>29,780</u> |
| Net income for the Period/ Net movement in funds | | <u>30,805</u> |
| Fund balances at 14 April 2020 | | <u>196,146</u> |
| Fund balances at 31 December 2020 | | <u><u>226,951</u></u> |

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

All income and expenditure derive from continuing activities.


NORTHOLT ISLAMIC CENTRE

BALANCE SHEET

AS AT 31 DECEMBER 2020

| | Notes | 2020 £ | £ |
|---------------------------------------------------------|-------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 9 | | 553,987 |
| Current assets | | | |
| Cash at bank and in hand | | 15,256 | |
| Creditors: amounts falling due within one year | 11 | (304,292) | |
| Net current liabilities | | | (289,036) |
| Total assets less current liabilities | | | 264,951 |
| Creditors: amounts falling due after more than one year | 12 | | (38,000) |
| Net assets | | | 226,951 |
| Income funds | | | |
| Unrestricted funds | | | 226,951 |
| | | | 226,951 |

The financial statements were approved by the Trustees on 11 November 2021


 Mr Uzzman Khan
 Trustee

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Northolt Islamic Centre registered as a charity with charity commission on 14 April 2020 as CIO-Foundation (Charitable Incorporated Organisation) having charity registration number 1189047. The registered office is 151 Church Road, Northolt, UB5 5AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], 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 charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

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

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

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

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 land and buildings | nil |
|-----------------------------|-----|

Freehold land and assets in the course of construction are not depreciated.

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 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).

1.8 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.

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.

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.9 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.

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.

3 Donations and legacies

| | Unrestricted funds |
|---------------------|-----------------------|
| | 2020 £ |
| Donations and gifts | 28,913 |
| Grants - COVID 19 | 16,734 |
| | <hr/> |
| | 45,647 |
| | <hr/> |

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

4 Charitable activities

| | Charitable Income 2020 £ |
|--------------------------|-----------------------------------|
| Charitable rental income | 14,938 |

5 Charitable activities

| | Charitable Expenditure 2020 £ |
|----------------------------------------|----------------------------------------|
| Staff costs | 12,060 |
| Rent and service charges | 8,579 |
| Rates | 753 |
| Light and heat | 230 |
| Telephone and internet | 293 |
| Insurance | 1,035 |
| General expense | 30 |
| Repairs and maintenance | 5,400 |
| | 28,380 |
| Share of governance costs (see note 6) | 1,400 |
| | 29,780 |

6 Support costs

| | Support costs £ | Governance costs £ | 2020 £ | Support costs £ | Governance costs £ |
|------------------------|-----------------------|--------------------------|-----------|-----------------------|--------------------------|
| Legal and professional | - | 200 | 200 | - | - |
| Accountancy fee | - | 1,200 | 1,200 | - | - |
| | - | 1,400 | 1,400 | - | - |
| Analysed between | | | | | |
| Charitable activities | - | 1,400 | 1,400 | - | - |

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

7 Trustees

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

8 Employees

The average monthly number of employees during the Period was:

| | 2020 Number |
|-------------------------|-------------------|
| | 2 |
| | <u>2</u> |
| Employment costs | 2020 £ |
| Wages and salaries | 12,060 |
| | <u>12,060</u> |

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

9 Tangible fixed assets

| | Freehold land and buildings £ |
|------------------------|----------------------------------|
| Cost | |
| Additions | 553,987 |
| At 31 December 2020 | <u>553,987</u> |
| Carrying amount | |
| At 31 December 2020 | <u>553,987</u> |

10 Loans and overdrafts

| | 2020 £ |
|---------------------------|----------------|
| Bank loans | 38,000 |
| Other loans - Qarze hasna | 301,596 |
| | <u>339,596</u> |
| Payable within one year | 301,596 |
| Payable after one year | <u>38,000</u> |

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

10 Loans and overdrafts

(Continued)

The long-term loans are in respect of bounce back loan. No interest is charged for a period of first 12 months.

11 Creditors: amounts falling due within one year

| | 2020 £ |
|------------------------------|----------------|
| Borrowings | 301,596 |
| Other creditors | 1,496 |
| Accruals and deferred income | 1,200 |
| | <u>304,292</u> |

12 Creditors: amounts falling due after more than one year

| | Notes | 2020 £ |
|------------|-------|---------------|
| Bank loans | 10 | <u>38,000</u> |

13 Charity activities

On 14 April 2020, Northolt Islamic Centre (Charity registration 1181159) ceased its activities under unincorporated charity structure. The charity was converted to CIO (Charitable Incorporated Organisation).

New charity "Northolt Islamic Centre" was registered on 14 April 2020 under CIO Foundation model having charity registration number 1189047. On this date trustees passed resolution and transferred all assets and liabilities from old charity "Northolt Islamic Centre - charity no: 1181159) to new charity "Northolt Islamic Centre - charity no: 1189047).

14 Related party transactions

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