

Charity registration number 1189047

NORTHOLT ISLAMIC CENTRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NORTHOLT ISLAMIC CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr Muhammad Arshad
Mr Muhammad Tareq Ali
Mr Uzzman Khan
Mr Said Amouhou
Mr Shahbaz Meer

Charity number

1189047

Principal address

159 Church Road
Northolt
Middlesex
England
UB5 5AG

Independant examiner

MUS Accountants Limited
125 The Grove
Stratford
London
E15 1EN

NORTHOLT ISLAMIC CENTRE

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NORTHOLT ISLAMIC CENTRE

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022. 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 Constitution of a charitable incorporated organisation whose only voting members are its charity trustees, 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 year.

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.

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

Mr Muhammad Arshad
Mr Muhammad Tareq Ali
Mr Uzzman Khan
Mr Said Amouhou
Mr Shahbaz Meer

NORTHOLT ISLAMIC CENTRE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

159 Church Road

Northolt

UB5 5AG

The trustees report was approved by the Board of Trustees.



Mr Uzzman Khan
Trustees

5 February 2024

NORTHOLT ISLAMIC CENTRE

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 year ended 31 December 2022.

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.

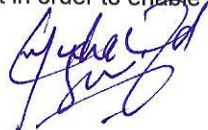
I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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



Dated: 5 February 2024

NORTHOLT ISLAMIC CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	3	99,995	90,260
Charitable activities	4	25,622	24,750
Total income		125,617	115,010
<u>Expenditure on:</u>			
Charitable activities	5	51,087	40,896
Net income for the year/ Net movement in funds		74,530	74,114
Fund balances at 1 January 2022		301,065	226,951
Fund balances at 31 December 2022		375,595	301,065

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

All income and expenditure derive from continuing activities.

NORTHOLT ISLAMIC CENTRE

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		621,011		560,568
Current assets					
Cash at bank and in hand		34,209		24,272	
Creditors: amounts falling due within one year	12	(279,625)		(283,775)	
Net current liabilities			(245,416)		(259,503)
Total assets less current liabilities			375,595		301,065
Income funds					
Unrestricted funds			375,595		301,065
			375,595		301,065

The financial statements were approved by the Trustees on 5 February 2024


 Mr Uzzman Khan
 Trustee

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 Constitution of a charitable incorporated organisation whose only voting members are its charity trustees, 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. 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 YEAR ENDED 31 DECEMBER 2022**

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	50 Years
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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 YEAR ENDED 31 DECEMBER 2022

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	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	99,995	80,396
Grants - COVID 19	-	9,864
	<u>99,995</u>	<u>90,260</u>

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	Charitable Income 2022 £	Charitable Income 2021 £
Charitable rental income	25,622	24,750

5 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	20,174	21,343
Depreciation and impairment	10,211	-
Rent and service charges	14,072	9,689
Rates	2,328	4,206
Light and heat	109	-
Telephone and internet	1,761	1,335
Books and furniture	801	-
Insurance	1,348	1,314
General expense	38	127
Repairs and maintenance	245	927
	51,087	38,941
Share of governance costs (see note 6)	-	1,955
	51,087	40,896

6 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Legal and professional	-	-	-	515
Accountancy fee	-	-	-	1,440
	-	-	-	1,955
Analysed between	-	-	-	1,955
Charitable activities	-	-	-	1,955

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Trustees

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

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	4	3
Employment costs	2022	2021
	£	£
Wages and salaries	20,174	21,343

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

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Total £
Cost			
At 1 January 2022	560,568	-	560,568
Additions	-	70,654	70,654
At 31 December 2022	560,568	70,654	631,222
Depreciation and impairment			
Depreciation charged in the year	10,211	-	10,211
At 31 December 2022	10,211	-	10,211
Carrying amount			
At 31 December 2022	550,357	70,654	621,011
At 31 December 2021	560,568	-	560,568

NORTHOLT ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Loans and overdrafts

	2022 £	2021 £
Other loans - Qarze hasna	287,846	281,746
Payable within one year	287,846	281,746

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Borrowings	287,846	281,746
Other taxation and social security	143	143
Other creditors	(9,804)	446
Accruals and deferred income	1,440	1,440
	279,625	283,775

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 year (2021 - none).