

Charity registration number: 1193202

Newcastle-Under-Lyme Islamic Centre (CIO)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Newcastle-Under-Lyme Islamic Centre (CIO)

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 3
Statement of Trustees' Responsibilities	4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 13

Newcastle-Under-Lyme Islamic Centre (CIO)

Reference and Administrative Details

Trustees

Ramadan Mohamed Ataweh

Dr Nadir Khan

Abdulmutaleb Mohamed Sultan

Arshad Jamil

Furqan Basharat

Principal Office

Pilkington Avenue

Newcastle

Staffordshire

ST5 3RE

Charity Registration Number

1193202

Independent Examiner

Nasir Rafiq

Dua Governance

123-131 Bradford Street

Bradford Court

Birmingham

B12 0NS

Newcastle-Under-Lyme Islamic Centre (CIO)

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2023.

Objectives and activities

Objects and aims

To advance the religion of Islam by means of, but not exclusively, promoting the teachings and tenets of Islam, provision of facilities for worship and provision of facilities for Islamic education, in accordance with the charity doctrine, being the teachings of the Quraan and the teachings of Prophet Muhammad (pbuh).

Public benefit

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.

Grant making policies

Requests from individuals directly or on third party request including from press are assessed and grants are made once all trustees agree to donate. Preference is given to help people where there is no diversion of funds towards management.

Achievements and performance

The main goal of the charity was achieved during this period when we had the opportunity to bid for the premises when it came up for auction on 25th of October 2022. We were successful bidder and finally acquired the property on 23rd of November 2022. We intensified our campaign of fund collection and along with these, and interest free loans, we were able to pay for the property firstly the deposit on the same day and then the remainder within a month. As the property was empty and in derelict condition with no heating, it needed a lot repair work which started soon afterwards. we were able to clear all the rubbish; repair leaking roofs, clean the flooring and carpeted part of the building and installed the heating systems. We installed fire equipment/safety features/ doors etc to meet fire regulations as well as CCTV surveillance equipment. We held an open day for donors and participants from Muslim community and held first large congregational prayers on 12th March 2023. By the Ramadan time in March, 2023 we were able to install 2nd heating system and started regular prayers. We carpeted more than half the building and planned to have an open day for local community. The repair was also undertaken in the main multifunction hall floor which was completely destroyed following major water leak 3 years ago forcing the sale of the building. We engaged architects who are currently working on building plans and car park plans to create a building which will meet our requirements.

Having set up a fully functional mosque we have been able to provide a local place of worship for many in the community. We are currently serving more than 400 plus Muslims in the community. We had a get together of all local contributors and their families to thank them for their contribution and to show them where their money is being used. During the holy month of Ramadan, we performed our nightly prayers "TARAWEEH" with over 150 congregants. We provided nightly dinners for those fasting and also invited neighbours in the community to join us and good turn over. We have been successful in bringing the Muslim and non-Muslim community together. We are planning educational classes for children and adults in the near future and we are also planning an open day for wider community

Financial review

During the year the charity received income of £647k (2022: £8k). Expenditure was £54k (2022: £1.3k) on various legal fees and expenses and £500k was spent for the purchase of the Islamic Centre. At year-end the charity reserves stood at £599k (2022: £7k).

Newcastle-Under-Lyme Islamic Centre (CIO)

Trustees' Report

Structure, governance and management

Nature of governing document

The charity is a Charity Incorporated Organisation (CIO), governed by a constitution. The Charity was registered with the Charity Commission on the 22 January 2021 (Charity Reg No: 1193202)

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.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade 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 uses 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.

31 January 2024

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



.....
Dr Nadir Khan

Trustee

Newcastle-Under-Lyme Islamic Centre (CIO)

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.

31 January 2024

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



.....
Dr Nadir Khan

Trustee

Newcastle-Under-Lyme Islamic Centre (CIO)

Independent Examiner's Report to the trustees of Newcastle-Under-Lyme Islamic Centre (CIO)

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2023 which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

As the charity's trustees of Newcastle-Under-Lyme Islamic Centre (CIO) 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 Newcastle-Under-Lyme Islamic Centre (CIO)'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

Since Newcastle-Under-Lyme Islamic Centre (CIO)'s gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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 Newcastle-Under-Lyme Islamic Centre (CIO) 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.

Nasir Rafiq

.....
Nasir Rafiq
ICAEW

Bradford Costs
123-131 Bradford Street
Bradford Court
Birmingham
B12 0NS

31 January 2024

Date:.....

Newcastle-Under-Lyme Islamic Centre (CIO)

Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies		646,578	646,578
Expenditure on:			
Charitable activities		(55,588)	(55,588)
Total expenditure		(55,588)	(55,588)
Net income		590,990	590,990
Net movement in funds		590,990	590,990
Reconciliation of funds			
Total funds brought forward		6,808	6,808
Total funds carried forward	12	597,798	597,798

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies		8,128	8,128
Total income		8,128	8,128
Expenditure on:			
Charitable activities		(1,320)	(1,320)
Total expenditure		(1,320)	(1,320)
Net income		6,808	6,808
Net movement in funds		6,808	6,808
Reconciliation of funds			
Total funds carried forward	12	6,808	6,808

All of the charity's activities derive from continuing operations during the above two periods.

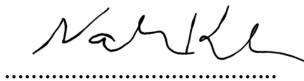
The funds breakdown for 2022 is shown in note 12.

Newcastle-Under-Lyme Islamic Centre (CIO)

(Registration number: 1193202)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	509,752	-
Current assets			
Cash at bank and in hand	10	91,546	6,808
Creditors: Amounts falling due within one year	11	(3,500)	-
Net current assets		88,046	6,808
Net assets		597,798	6,808
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		597,798	6,808
Total funds	12	597,798	6,808

31 The financial statements on pages 6 to 13 were approved by the trustees, and authorised for issue on January 2024
..... and signed on their behalf by:



.....
Dr Nadir Khan
Trustee

Newcastle-Under-Lyme Islamic Centre (CIO)

Notes to the Financial Statements for the Year Ended 31 March 2023

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

Newcastle-Under-Lyme Islamic Centre (CIO) 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 trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Newcastle-Under-Lyme Islamic Centre (CIO)

Notes to the Financial Statements for the Year Ended 31 March 2023

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.

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.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land & Buildings	Reducing balance - 50 years
Fixtures & Fittings	Reducing balance - 10 years

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.

Newcastle-Under-Lyme Islamic Centre (CIO)

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	646,578	646,578	8,128
	646,578	646,578	8,128

3 Expenditure on charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Mosque running costs	31,666	31,666	1,320
Depreciation, amortisation and other similar costs	12,195	12,195	-
Governance costs	11,727	11,727	-
	55,588	55,588	1,320

4 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2023 £
Independent examiner fees		
Examination of the financial statements	3,500	3,500
Legal fees	8,227	8,227
	11,727	11,727

5 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £
Depreciation of fixed assets	12,195

Newcastle-Under-Lyme Islamic Centre (CIO)

Notes to the Financial Statements for the Year Ended 31 March 2023

6 Trustees remuneration and expenses

7 Independent examiner's remuneration

	2023 £
Examination of the financial statements	<u>3,500</u>

8 Taxation

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

9 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
Additions	<u>500,000</u>	<u>21,947</u>	<u>521,947</u>
At 31 March 2023	<u>500,000</u>	<u>21,947</u>	<u>521,947</u>
Depreciation			
Charge for the year	<u>10,000</u>	<u>2,195</u>	<u>12,195</u>
At 31 March 2023	<u>10,000</u>	<u>2,195</u>	<u>12,195</u>
Net book value			
At 31 March 2023	<u>490,000</u>	<u>19,752</u>	<u>509,752</u>

10 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>91,546</u>	<u>6,808</u>

11 Creditors: amounts falling due within one year

	2023 £
Accruals	<u>3,500</u>

Newcastle-Under-Lyme Islamic Centre (CIO)

Notes to the Financial Statements for the Year Ended 31 March 2023

12 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
General	6,808	646,578	(55,588)	597,798
		Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General		8,128	(1,320)	6,808

13 Analysis of net assets between funds

	Unrestricted funds General £	Total funds 2023 £
Tangible fixed assets	509,752	509,752
Current assets	91,546	91,546
Current liabilities	(2,000)	(2,000)
Total net assets	599,298	599,298
	Unrestricted funds General £	Total funds 2022 £
Current assets	6,808	6,808

14 Analysis of net funds

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	6,808	84,738	91,546
Net debt	6,808	84,738	91,546

Newcastle-Under-Lyme Islamic Centre (CIO)

Notes to the Financial Statements for the Year Ended 31 March 2023

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	-	6,808	6,808
Net debt	-	6,808	6,808