

THORNTON HEATH ISLAMIC CENTRE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

THORNTON HEATH ISLAMIC CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees

Mr H A Suleman
Mr S Kassam
Mr Y Haroon
Mr A Haroon
Mr A A Suleman

Charity number

1193471

Principal address

150 Gillett Road
Thornton Heath
CR7 8SN

Independent examiner

King & King
Chartered Accountants & Statutory Auditors
5th Floor, Watson House
54-60 Baker Street
London
W1U 7BU

THORNTON HEATH ISLAMIC CENTRE

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THORNTON HEATH ISLAMIC CENTRE

TRUSTEES REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Trustees present their annual report and financial statements for the year ended 30 September 2023.

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 advance the religion of Islam by means of, but not exclusively, the provision or assistance in the provision of facilities of Islamic education and worship in accordance with the teachings of the Quran and the Sunnah of the Prophet Muhammad (Peace be upon Him) as interpreted by the Sunni School of Hanafi.

The policies adopted in furtherance of these objects are to provide a place for prayers and worship and for the activities associated with our faith and there has been no change in these during the year.

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. During the year, loft extension has been undertaken to the property held by charity to extend the place for prayers and worship.

Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a registered charity at Charity's commission governed by CIO-Foundation.

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

Mr H A Suleman
Mr S Kassam
Mr Y Haroon
Mr A Haroon
Mr A A Suleman

The board has adopted procedures to ensure an appropriate mix of gender and race when recruiting and appointing trustees. Appropriate training is given to develop awareness of the charities aims and objectives. None of the Trustees has any beneficial interest in the company.

The charity's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code.

The charity's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

THORNTON HEATH ISLAMIC CENTRE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Trustees report was approved by the Board of Trustees.

Mr H A Suleman
Trustee

25 July 2024

THORNTON HEATH ISLAMIC CENTRE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THORNTON HEATH ISLAMIC CENTRE

I report to the Trustees on my examination of the financial statements of Thornton Heath Islamic Centre (the charity) for the year ended 30 September 2023.

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.

Milankumar Patel (Senior Statutory Auditor)

For and on behalf of King & King

Chartered Accountant & Statutory Auditor

5th Floor

Watson House

54-60 Baker Street

London, W1U 7BU

Dated: 25 July 2024

THORNTON HEATH ISLAMIC CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	156,166	114,831
Total income		156,166	114,831
Expenditure on:			
Charitable activities	4	50,327	49,612
Total expenditure		50,327	49,612
Net income and movement in funds		105,839	65,219
Reconciliation of funds:			
Fund balances at 1 October 2022		65,219	-
Fund balances at 30 September 2023		171,058	65,219

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THORNTON HEATH ISLAMIC CENTRE

BALANCE SHEET

AS AT 30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	9		780,067		655,817
Current assets					
Cash at bank and in hand		14,936		33,347	
Creditors: amounts falling due within one year	11	(303,102)		(303,102)	
Net current liabilities			(288,166)		(269,755)
Total assets less current liabilities			491,901		386,062
Creditors: amounts falling due after more than one year	12		(320,843)		(320,843)
Net assets excluding pension liability			171,058		65,219
Net assets			171,058		65,219
The funds of the charity					
Unrestricted funds			171,058		65,219
			171,058		65,219

The financial statements were approved by the Trustees on 25 July 2024

Mr H A Suleman
Trustee

THORNTON HEATH ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Charity information

Thornton Heath Islamic Centre is a Charitable Incorporated Organisation registered under Charity Act 2011.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's CIO- Foundation, 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 or grantors 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.

THORNTON HEATH ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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	no depreciation
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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.

THORNTON HEATH ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	156,166	105,081
Donated goods and services	-	9,750
	<u>156,166</u>	<u>114,831</u>

THORNTON HEATH ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

4 Expenditure on charitable activities

	Heading #ac982 2023 £	Heading #ac982 2022 £
Direct costs		
Staff costs	34,150	42,608
Utilities	6,855	1,601
Website Hosting	900	900
Telecommunication	501	432
Printing	120	500
Water rates	3,140	153
Sundry expenses	432	31
Bank charges	296	274
Books & publications	-	1,276
Insurance	1,453	1,362
Consulting	2,480	475
	<u>50,327</u>	<u>49,612</u>
Analysis by fund		
Unrestricted funds	<u>50,327</u>	<u>49,612</u>

5 Net movement in funds

2023 £	2022 £
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The net movement in funds is stated after charging/(crediting):

<u> </u>	<u> </u>
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6 Trustees

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

7 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
6	6
<u> </u>	<u> </u>

Employment costs

2023 £	2022 £
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Wages and salaries	<u>34,150</u>	<u>42,608</u>
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There were no employees whose annual remuneration was more than £60,000.

THORNTON HEATH ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

7 Employees (Continued)

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

8 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

9 Tangible fixed assets

Freehold land and buildings £

Cost

At 1 October 2022

655,817

Additions

124,250

At 30 September 2023

780,067

Carrying amount

At 30 September 2023

780,067

At 30 September 2022

655,817

10 Loans and overdrafts

2023 £

2022 £

Other loans

253,500

253,500

Payable within one year

253,500

253,500

11 Creditors: amounts falling due within one year

2023 £

2022 £

Borrowings

253,500

253,500

Other creditors

49,602

49,602

303,102

303,102

THORNTON HEATH ISLAMIC CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

12 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	320,843	320,843

13 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2022	Incoming resources	Resources expended	At 30 September 2023
	£	£	£	£
General funds	65,219	156,166	(50,327)	171,058
Previous year:	At 1 October 2021	Incoming resources	Resources expended	At 30 September 2022
	£	£	£	£
General funds	-	114,831	(49,612)	65,219

14 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).