

Registered charity number
257559

ISLAMIC CENTRE LEICESTER
FINANCIAL STATEMENTS AND REPORT
FOR THE YEAR ENDED 30 APRIL 2021

ISLAMIC CENTRE LEICESTER

CONTENTS

	Page
Legal and administrative information	1
Report of the trustees	2 - 8
Statement of trustees' responsibilities	9
Report of the auditors	10 - 12
Statement of financial activities	13
Balance sheet	14
Cash flow statement	15
Notes forming part of the financial statements	16 - 22

ISLAMIC CENTRE LEICESTER

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Harun Jussab Sheikh Muhammad Sarwar Mustafa Malik Moulana Shahid Raza
Chairman	Abdul Waheed Bajwa
Principal address	Islamic Centre Leicester 2A Sutherland Street Leicester LE2 1DS
Charity registration number	257559
Accountants	Malik & Co Certified Public Accountants 32 Turner Road Leicester LE5 0QA
Auditors	Fortus Audit LLP Chartered Accountants And Statutory Auditors 31 High View Close Hamilton Office Park Leicester LE4 9LJ
Bankers	Natwest North Evington Branch 121a East Park Road Leicester LE5 4NY AL Rayan Bank 94a London Road Leicester LE2 0QA Lloyds bank 7 High Street Leicester LE1 9FS

ISLAMIC CENTRE LEICESTER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021

The trustees submit their annual report along with audited financial statements of the charity for the year ended 30 April 2021. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements. The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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, Islamic Centre Leicester is a charity registered with the Charity Commission under the registration number 257559.

Governing document

The Islamic Centre Leicester is an unincorporated charity controlled by its governing document, "The constitution of the Islamic Centre Leicester". The constitution was adapted on 3 November 1968 and and subsequently amended on 12 October 1986.

Objectives and activities

The objectives of the charity are as per its trust deed. The main activities of the charity during the year were providing places of worship for Muslims and promoting, improving, developing and maintaining public education in and appreciation of Islamic values and ethos.

The aims of the Trust are to:

- Adopt ways and means in order to improve, protect and promote the Religious, Educational, Social and Cultural interests of all Muslims living within the local area.
- To serve as a Centre of Learning and to teach the principles of the Islamic Faith in accordance with the Sunni Path.
- To actively promote and provide facilities and activities for the benefit of local Muslim men and women, young and elderly.
- To promote the spiritual teachings of the Islamic religion and the maintenance of the doctrines on which it rests and of the observations that serve to promote and manifest it especially amongst the Muslims residing in Leicester and in the county of Leicestershire.

In order to achieve these objectives the trustees have considered the Charity Commission's general guidance on public benefit and also supplementary guidance on the advancement of religion for public benefit.

ISLAMIC CENTRE LEICESTER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

Public benefit statement

In planning our activities, we have considered guidance from the Charity Commission to ensure we meet our public benefit requirements.

The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefits to those who worship at the mosque and the wider community.

Achievements and performance

The Islamic Centre Leicester has seen a rise in attendance and provision of Islamic prayer facilities in past years, particularly during peak periods such as Friday prayers, school holidays and the two Islamic festivals.

Volunteering and involvement in various community activities has also increased.

The Centre continues to be provided on a regular basis to various groups providing Islamic and non-religious based activities. Our premises are also used regularly after school for children's learning.

Review of the year

Activities conducted by the Islamic Centre Leicester (ICL)

The ICL is dedicated to promoting and providing facilities and activities for the benefit of the local Muslim community. The Charity is delivering its aims with due diligence. After the lockdown was lifted, we continued with the following programmes and initiatives, though with some limitations, we looked for new, creative and inspiring ways to strengthen our relationship with the community we serve.

Activities conducted by the Islamic Centre Leicester include:

1. Mosque and religious services

• Prayer Facilities

During normal times, our mosques were open every day of the year for congregational prayers (The five daily prayers, Friday prayers and Tarawih prayers during Ramadan). Our facilities are open to women and they were welcome to participate in all prayers, including Friday prayers as well as other activities and events. A large number of attendees came from both the University of Leicester and De Montfort University.

This year was different; for a considerable period of time, we were either unable to provide any services at all or could only deliver them on a restricted basis.

• Ramadan

The month of Ramadan is the most eventful time in the ICL calendar. Thousands participate in prayers each night. Meals to break the fast (Iftar) were provided every evening.

This year Tarawih (special Ramadan prayers) were offered briefly with limited number of attendees.

• Eid Prayer

Celebrating the important festival of Eid ul-Fitr (marking the end of the month of Ramadan), Eid ul-Adha and Eid Mawlid an-Nabawi were major events of the year. Even with some limitations, the events were marked a success.

ISLAMIC CENTRE LEICESTER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

2. Education

The Islamic Centre Madrasah is a well-established Islamic school for educating Muslim children in the fundamentals of the Islamic faith, and is attended by over 250 students on a daily basis and continues to grow from strength to strength.

Our aim at ICL Madrasah is to help our students fulfil the obligation of seeking knowledge through the study of Islam and the Qur'an. This not only enables them to gain immense reward but also enables them to comprehend and subsequently fulfil their role within the society they live in as British Muslims.

• Facts and figures

The Madrasah currently has 250 students aged between 4½ and 13. Daily classes of which there are twelve in total run from two different sites namely Sutherland Street Mosque and Leicester Central Mosque. There are 5 boys' classes and 4 girls' classes with mixed classes for minors.

There were only online classes available during the lockdown, with no physical (face to face) provision in the mosque.

• Current Syllabus

The Madrasah syllabus is a broad one designed to cover a wide range of subjects and topic areas. These include:

- Holy Qur'an with Tajweed
- Islamic Deeniyaat
- Islamic History and Salah
- Aalim (religious scholar) & Hifz (memorization of the Holy Qur'an) Classes
- Arabic (selected children)

3. Schools Educational Visits

Ever since its inception in 1968, the ICL has understood the importance of inter-faith relations, community cohesion and the positive promotion of Islam to children and adults alike. Each year the Leicester Central Mosque welcomes countless schools, colleges, universities, organisations, professional bodies and individuals to the mosque where they learn about the work we do in the community and about the religion of Islam.

The ICL proudly celebrates hosting 60-70 schools and colleges from Leicestershire and beyond.

The one-hour visit comprises of an open tour of the mosque of both the men and women sections followed by a programme run by our Imam on the articles of faith and the importance of being British Muslims. The programme is aimed to support the schools on their Religious Education programme of study to supplement their learning. Practical demonstrations reinforce their learning in school. The sessions are concluded with an opportunity for asking questions, a fundamental feature of the visit as the Charity believes in allowing students and teachers a space and an opportunity to ask a range of questions. Over the many years, the school and colleges have built a trusting relationship, which it dearly values. Repeat school visits are a testament to the relationship the Charity promotes and builds.

The Charity has made the mosque visits accessible to all by featuring an online booking on the website, or by direct contact. The flexibility of the Imam to serve the people has ensured that to date no school, organisation, or even individual person's request has been turned down.

We hope to develop this further by maintaining an open door policy that promotes a positive image of Islam, its values and message and the role it plays in building stronger communities.

ISLAMIC CENTRE LEICESTER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

4. Interfaith, Diversity, Cohesion and Outreach

The Charity is proud and takes pride in its yearly interfaith event, which hosts approximately 500 people for the Big Iftar and its Eid Party. Religious leaders from the community are given the opportunity to address the congregation and other members of the community. The importance of community cohesion and various other issues are addressed. The event aims to bring people from diverse backgrounds and faith leaders to come together to show support for one another and all their communities.

Due to the lockdown restrictions, we decided not to hold our annual event this year. We hope to carry on our tradition in the coming years.

5. Other Services for the Community

- **Funeral Facilities:**

A complete funeral service in line with the teachings of Islam. We relieve the deceased's bereaved relatives of the burden of organising burials.

The Charity provides a complete funeral service package that carries both the religious aspects of the funeral services and the logistics of transportation and storage of the deceased body. The Charity liaises with the council for the burial arrangements and it aims to support the bereaved families by providing a service that allows a smooth transition.

- **Nikah (Islamic Marriage):**

Family life is the foundation of a successful society, and marriage is an occasion of great joy in the Muslim community.

The Charity provides the community with Islamic marriage the Nikah service to all denominations of the Muslim faith. The management takes care with administration and documentations whilst the Imam provides the religious obligation.

6. Other community engagement activities

- **Ramadan Clinics**

The Islamic Centre in collaboration with the CCG, Local Community and PCN hosted the Ramadan clinics at Leicester Islamic Centre. It was a walk-in clinic for people to get the Covid vaccination.

- **MP and Councillors Surgery:**

The Charity hosts a free MP Council drop in service to its community without the need of an appointment system in order for the service it provides to be easily accessible to all. The MP and Councillors service has helped and resolved issues ranging from housing, business to Home Office queries. The service is provided by the Leicester South MP and Councillors from the local wards of Spinney Hills, Wycliffe and Stoneygate.

- **Solicitors' Surgery**

The Charity provides the space and facilities to allow a solicitors' surgery to advice on legal issues. The service is free for all Leicester and Leicestershire residents, without the need of an appointment system.

- **Ramadan Iftar**

The mosque prepares food during Ramadhan for those attending our mosque who wish to break their fast together.

- **Community Events**

These are for the benefit of the wider community, such as talks and conferences.

ISLAMIC CENTRE LEICESTER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

7. Working with statutory and other bodies

- The Charity has and continues to provide the local authority and its services, namely the Social services, Education department and the Leicestershire Constabulary an opportunity to visit the mosque and learn about Muslims in Britain and its faith as well as to ask questions.
- The Charity has always, as and when needed provided an information desk to local service providers to benefit the community on a range of health related issues. This ranges from advice on mental health issues provided by the NHS as well as advice and support in order to quit smoking and health awareness campaigns on diabetes. There have been self-referrals to the organisations as follow-ups. The information desk has also given space for Tell MAMA on ways to support families and individuals experiencing anti-Muslim hate crime.

8. Health and well-being

The Charity promotes the wellbeing of its congregation for both men and women on 4 evenings of the week by providing sporting activities such as badminton tournaments and basketball in its popular sports hall. It aims to increase this as and when the demand arises.

9. Women only activities

Activities at the Centre in general are open to men and women however; some activities are catered for women only and are led by the Islamic Centre Women's Association (ICWA).

The Main objectives of the ICWA are to:

- work for the welfare and well-being of Muslim women
- enlighten women with the knowledge of Islam
- assist women in developing their self-confidence and self-respect
- enable women to deal with issues faced by Muslim women

ICWA organised a range of spiritual activities throughout the year on weekly and monthly basis. This is a sample of some of the many activities held at the Centre for women:

- Ladies Tajweed class
- Ladies Sports
- Ladies Ghosia Khatam
- Ladies Dars-a-Quran
- Ladies Essential Knowledge Class (Support for new Muslim sisters)

10. Volunteers

The charity is grateful for the efforts of its volunteers who are involved in service provision and fundraising. It has not been possible to quantify the sterling efforts of our volunteers.

Principal risks and uncertainties

The trustees have responsibility for ensuring that there are effective risk management and systems of internal control in place to manage the charity and major risks and support the achievement of our strategic objectives.

The principal risks to the charity and how these are managed is set out below.

• Risk - financial performance and sustainability

Risk concerning financial performance and sustainability includes any significant reduction in fundraising due to economic conditions. This risks undermining our ability to meet the needs of our users and to meet our strategic aims.

ISLAMIC CENTRE LEICESTER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

Risk concerning financial performance and sustainability is managed by the holding of a significant value of reserves and a regular review of charity reserves to ensure these remain within the target set by the Trustees. Senior management and the Trustees also regularly review and scrutinise the charity's short and medium term financial position.

• Risk - safe guarding of vulnerable and young people

Risk concerning the safeguarding of vulnerable and young people includes:

- negligence in relation to safeguarding policies, or
- when practice results in or contributes to serious harm, or
- injury to a young person or vulnerable adult which damages ICL's reputation.

Risk concerning the safeguarding of vulnerable and young people is managed by safeguarding training for all employees working directly with vulnerable and young people.

• Risk - information security

Risk concerning information security includes serious data protection or security failure that may result in legal and contractual issues, reputational damage and potential fines and loss of income.

Risk concerning information security is managed by having a structure in place for General Data Protection Regulation (GDPR) monitoring and compliance and by the routine testing of IT systems to identify any security weaknesses.

Reserves Policy

Islamic Centre recognises the importance of having reserves. These funds are freely available to spend on any of the charity's purposes and hence exclude restricted funds. They will be used to mitigate significant falls in income or to take advantage of new opportunities. ICL faces a number of risks that may result in the need to use the charity's reserves. Some of these include:

- Reduction in donations from congregation / members of the public.
- Unexpected refurbishment costs
- External factors affecting the charity, such as National Living Wage increases or increasing utility bills.

Reserves are represented by the fund balances as disclosed in the balance sheet on page 14 of the financial statements. The balance sheet shows unrestricted reserves (reserves that do not carry any restrictions on how they can be used) of £3,749,399 as at 30 April 2021 (2020: £3,668,666).

In assessing our level of free reserves as at 30 April 2021, we also exclude restricted funds totalling to £66,755 and fixed assets totalling £1,962,857. The reserve represents the free funds of the charity of which £1,050,000 are designated for the construction of the Minaret. This leaves free reserves at £736,542 as at 30 April 2021 to cover emergency repairs.

ICL has set its reserves at £160,500, this covers approximately six months operational expenditure. It is the Trustees view that this amount means the charity has a balanced approach between having funds available to run the charity on a day-to-day basis, and keeping funds aside in case any of the risks mentioned above materialise. The Trustees also believe this level of reserves provides the charity with adequate financial stability and the means to meet its charitable objectives for the future. The level of reserves will be reviewed annually to ensure alignment with risks the charity faces.

ISLAMIC CENTRE LEICESTER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

Plans for future and the impact of Covid19

Due to the Covid-19 outbreak, like the rest of the country, Islamic Centre faced extraordinary disruption. The pandemic struck in full force during March 2020, affecting the day-to-day delivery of our usual services and programmes, in a manner that most of us have never witnessed in our lifetime.

During this lockdown people were forced to remain within their home bubble (immediate family), wearing a face mask and social distancing became mandatory. The Islamic Centre Leicester (Leicester Central Mosque Conduit Street and Leicester Mosque Sutherland Street) closed its doors to the public on 16 March 2020. It remained closed for a significant part of the current financial year (30 April 2021).

This year has been a difficult year; we did face some negative impact on the amount of income and our services. The government-initiated furlough scheme has provided some relief for the centre and its staff. Without the furlough scheme, inevitable cuts to services and staff would have been considered. We hope and pray that the situation gets better in the next year enabling us to re-open our facilities and continue delivering our much-needed services.

Our vision for the future is simple to inspire the Islamic faith into the hearts of people. Going forward we intend to expand, improve and develop on all of our current services, programmes and activities. Our focus is to educate, inspire and serve which will help us bridge gaps, increase understanding and tolerance and improve community relations. We at the Islamic centre diligently adhered to government guidelines and did everything we could to protect our communities. Throughout the year, we had a full organisational review on our strategy that we are looking to complete in 2022.

Auditors

A resolution proposing that Fortus Audit LLP, Chartered Accountants & Statutory Auditors be re-appointed as auditors of the charity will be put to the Trustees' Meeting.

This report was approved by the board on 19 February 2022



.....
Harun Jussab
Trustee



.....
Sheikh Muhammad Sarwar
Trustee

ISLAMIC CENTRE LEICESTER

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 30 APRIL 2021

Charity law 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 surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have to:

- Select suitable accounting policies and then apply them consistently
- 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 a going concern basis
- Review major risks and establish systems or procedures to manage those risks

The trustees have the overall responsibility of ensuring that the charity has appropriate system of controls, ensure that the financial statements comply with the Charities Act 2011, The Charity (Accounts & 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 & 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.

ISLAMIC CENTRE LEICESTER

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ISLAMIC CENTRE LEICESTER

Opinion

We have audited the financial statements of Islamic Centre Leicester for the year ended 30 April 2021, which comprise the Statement of Financial Activities, Balance Sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ISLAMIC CENTRE LEICESTER

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ISLAMIC CENTRE LEICESTER (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the Trustees' report is inconsistent, and if any material is repeated in the financial statements; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 9), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

ISLAMIC CENTRE LEICESTER

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ISLAMIC CENTRE LEICESTER (CONTINUED)

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework.

We understood how the charity is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the charity has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to the trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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Fortus Audit LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
31 High View Close
Hamilton Office Park
Leicester
LE4 9LJ

28 February 2022

ISLAMIC CENTRE LEICESTER

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Year ended 30 April 2020 £
Income and Endowments From					
Donations and legacies	2	211,921	17,061	228,982	411,885
Investment income	3	28	-	28	14,375
Coronavirus Job Retention Scheme	4	50,836	-	50,836	-
Total		262,785	17,061	279,846	426,260
Expenditure On					
Charitable activities	5	173,052	23,000	196,052	253,034
Governance costs	6	9,000	-	9,000	7,900
Total		182,052	23,000	205,052	260,934
Net income/ (expenditures)		80,733	(5,939)	74,794	165,326
Transfers					
Gross transfers between funds		-	-	-	-
Net movement in funds		80,733	(5,939)	74,794	165,326
Reconciliation of Funds					
Total Funds brought forward		3,668,666	72,694	3,741,360	3,576,034
Total Funds carried forward		3,749,399	66,755	3,816,154	3,741,360

ISLAMIC CENTRE LEICESTER

BALANCE SHEET AS AT 30 APRIL 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	10	1,962,857	2,009,168
		<u>1,962,857</u>	<u>2,009,168</u>
Current assets			
Stock		3,245	3,050
Debtors	11	12,685	11,951
Cash at bank and in hand	12	1,855,155	1,736,496
		<u>1,871,085</u>	<u>1,751,497</u>
Creditors: amounts falling due within one year	13	17,788	19,305
Net current assets		<u>1,853,297</u>	<u>1,732,192</u>
Net assets		<u>3,816,154</u>	<u>3,741,360</u>
Funds:			
Unrestricted funds	14	3,749,399	3,668,666
Restricted funds	14	66,755	72,694
Total funds		<u>3,816,154</u>	<u>3,741,360</u>

The financial statements on pages 13 to 22 were approved by the trustees on 19 February 2022 and signed on their behalf by:

.....
Harun Jussab
Trustee

.....
Sheikh Muhammad Sarwar
Trustee

ISLAMIC CENTRE LEICESTER

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	a	<u>122,004</u>	<u>199,845</u>
Net cash provided by (used in) operating activities		<u>122,004</u>	<u>199,845</u>
 Cash flows from investing activities:			
Purchase of tangible assets		(3,073)	(1,587)
Income from investments		<u>28</u>	<u>14,375</u>
Net cash provided by (used in) investing activities		<u>(3,045)</u>	<u>12,788</u>
 Change in cash and cash equivalents in the year		118,959	212,633
 Cash and cash equivalents at the beginning of the year		<u>1,736,496</u>	<u>1,523,863</u>
 Cash and cash equivalents at the end of the year		<u>1,855,455</u>	<u>1,736,496</u>

ISLAMIC CENTRE LEICESTER

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2021

a. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the year (as per the statement of financial activities)	74,794	165,326
Adjustments for:		
Depreciation charges	49,384	48,840
Profit from investments	(28)	(14,375)
(Increase)/decrease in stock	(195)	(2,416)
Decrease/(increase) in debtors	(734)	130
(Decrease)/increase in creditors	(1,217)	2,340
Net cash provided by operating activities	122,004	199,845

b. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.5.20 £	Cash Flow £	At 30.4.21 £
Net Cash			
Cash at bank	1,736,496	118,959	1,855,455
Total	1,736,496	118,959	1,855,455

ISLAMIC CENTRE LEICESTER

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(a) 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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

(c) Fund Accounting

General funds (Lillah) are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds (Sadqah / Zakaat) are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund where permissible, otherwise from the unrestricted fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, such as deposit interest, and gains are allocated to the appropriate fund.

(d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts / items donated by businesses & communities for distribution to the poor & needy are only included as income where a reliable valuation is available. Otherwise only the costs associated with the transportation and distribution of these items are shown in the financial statements. No amounts are included in the financial statements for services donated by volunteers.

(e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

ISLAMIC CENTRE LEICESTER

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

(f) **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(g) **Charitable expenditure**

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.

(h) **Governance costs**

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

(i) **Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold land and buildings	2% straight line method
Fixtures, fittings and equipment	25% reducing balance method
Motor vehicles	25% reducing balance method

(j) **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.

(k) **Taxation**

The charity is exempt for Taxation purposes and is not registered for VAT. However, the charity is allowed to reclaim tax on donations received under Gift Aid scheme.

(l) **Stock Accounting Policy**

Stocks are valued at the lower cost and net realisable value after making due allowances for obsolete and slow moving items.

ISLAMIC CENTRE LEICESTER

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Year ended 30 April 2020 £
Lillah	125,485		125,485	234,384
Zakat/Sadka/Fitra	-	17,061	17,061	38,028
Friday collection	30,636		30,636	35,461
Tuition fees	11,810		11,810	51,952
Funeral services	844		844	1,047
Hall hire	-		-	6,250
Car parking	570		570	3,960
HMRC Gift Aid	42,576		42,576	40,803
	211,921	17,061	228,982	411,885

3 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Year ended 30 April 2020 £
Income from savings	28	-	28	14,375
	28	-	28	14,375

4 Other income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Year ended 30 April 2020 £
Coronavirus Job Retention Scheme	50,836	-	50,836	-
	50,836	-	50,836	-

5 Charitable activities cost

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Year ended 30 April 2020 £
Zakat/Sadka/Fitra	-	23,000	23,000	12,500
Niaz	2,370		2,370	20,381
Rates and water	6,592		6,592	10,005
Light and heat	12,461		12,461	25,351
Sundry and cleaning	5,223		5,223	12,125
Repairs and renewals	9,386		9,386	6,440
Security	912		912	1,600
Hall service	340		340	5,660
Telephone	1,136		1,136	1,148
Publishing and printing	-		-	1,900
Mosque refurbishment	-		-	9,007
Postage and stationery	297		297	320
Insurance	5,937		5,937	5,595
Motor expenses	2,521		2,521	942
Travelling expenses	61		61	11,000
Pupils gifts/kitabs/books/literature	-		-	1,178
Depreciation	49,384		49,384	48,840
Bank charges	1,543		1,543	3,257
Paypal charges	343		343	141
Wages and salaries	73,919		73,919	74,944
Staff pension	627		627	700
	173,052	23,000	196,052	253,034

ISLAMIC CENTRE LEICESTER

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

6 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Year ended 30 April 2020 £
Statutory Audit	4,200	-	4,200	5,400
Accountancy	4,800	-	4,800	2,500
	9,000	-	9,000	7,900

7 Staff numbers

	Total 2021 £	Year ended 30 April 2020 £
The average number of employees during the year was as follows:		
Imams and Teachers	13	13
	13	13

8 Staff costs

	Total 2021 £	Year ended 30 April 2020 £
Wages and salaries	73,919	74,944
Pension	627	700
	74,546	75,644

No employees received emoluments in excess of £60,000.

ISLAMIC CENTRE LEICESTER

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

9 Trustees' remuneration and expenses and related party transactions

There were no trustees' remuneration or other benefits for the year ended 30 April 2021 nor for the year ended 30 April 2020.

M S Raza, trustee, was reimbursed travelling expenses during the year amounting to £61 (2020: £11,000)

There were no related party transactions in the year (2020: £NIL)

10 FIXED ASSETS

	Freehold Land & Buildings	Fixtures fittings & Equipment	Motor Vehicles	TOTAL
Cost				
B/fwd	2,397,054	163,560	3,500	2,564,114
Additions	-	3,073	-	3,073
	2,397,054	166,633	3,500	2,567,187
Depreciation				
B/fwd	390,582	161,306	3,058	554,946
Charge for year	47,941	1,332	111	49,384
	438,523	162,638	3,169	604,330
Net Book Value 30 April 2021	1,958,531	3,995	331	1,962,857
30 April 2020	2,006,472	2,254	442	2,009,168

11 Debtors

	2021 £	2020 £
Debtors and prepayments	12,685	11,951
	12,685	11,951

12 Cash at Bank and in hand

	2021 £	2020 £
Cash and Bank balances	1,855,155	1,736,496
	1,855,155	1,736,496

ISLAMIC CENTRE LEICESTER

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Wages and PAYE	507	200
Other creditor	2,766	171
Accountancy and Audit fee	14,400	18,700
Pension	115	234
	17,788	19,305

14 Statement of funds

	At 1 May 2020 £	Incoming resources £	Resources expended £	Transfers £	At 30 April 2021 £
Unrestricted funds:					
Reserves	3,668,666	262,785	(182,052)	-	3,749,399
Total unrestricted funds	3,668,666	262,785	(182,052)	-	3,749,399
Restricted funds:					
Zakat/Sadka/Fitra	72,694	17,061	(23,000)	-	66,755
Total restricted funds	72,694	17,061	(23,000)	-	66,755
Total funds	3,741,360	279,846	(205,052)	-	3,816,154

The reserve represents the free funds of the charity which are not designated for particular purposes.

15 Movements in funds

	At 01.05.20 £	Net movement in funds £	At 30.04.21 £
Unrestricted funds:			
General funds	3,668,666	80,733	3,749,399
Restricted funds:			
Restricted	72,694	(5,939)	66,755
Total funds	3,741,360	74,794	3,816,154

16 Related party disclosures

There were no related party transactions for the year ended 30 April 2021.