

**THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Mr A Mohmed  
Mr E A Musa  
Mr I M Seth  
Mr E A Isa  
Mr S Giga  
Mr M N Kathrada  
Mr S Kola  
Mr M Hussain  
Mr A Limbada  
Mr F Chapti  
Mr M A Atcha  
Mr I M Mangera  
Mr A E Atcha  
Mr I Umarji  
Mr A Patel

### Charity number

258624

### Principal address

Zakariyya Jaam' Masjid  
20 Peace Street  
Bolton  
BL3 5LJ

### Auditor

SKM Accountants Limited  
Chartered Accountants  
Statutory Auditor  
Pegasus House 5 Winckley Court  
Mount Street  
Preston  
PR1 8BU

### Bankers

Barclays Bank PLC  
The Wellsprings  
Victoria Street  
Bolton  
BL1 1BY

Natwest Bank PLC  
24 Deansgate  
Bolton  
BL1 1BN

### Solicitors

Wrigleys Solicitors LLP  
19 Cookridge Street  
Leeds  
Yorkshire  
LS2 3AG

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# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

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# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 30 NOVEMBER 2022

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The Trustees present their annual report and financial statements for the year ended 30 November 2022.

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 dated 29 November 1993 as amended on 31 March 2012, 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 objectives are to advance the religion of Islam and to advance the education of the public, within Bolton and also use our influence worldwide

Each year our trustees review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the trustees have considered the Charity Commissions general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

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

Our long term commitment is to redevelop the older Masjid building into a new Madrassah and Community Centre to cater for the older and younger generations from the wider community

#### **Achievements and performance**

The Charity continued its religious activities during the year. The past year has again seen the Charity making substantial positive strides by:

- Providing open days to people of other faiths or no faiths
- Improving community cohesion through an extended level of sports and youth activity provisions
- Holding events throughout the year to give people a better understanding of Islam

The total income for the year of £748,958 (2021: £602,716) the main contributing factor to this is donations for charitable activities.

#### **Financial review**

At the year end, overall reserves totaled £4,038,616 (2021: £4,022,683), Restricted reserves total £3,685,104 (2021: £3,669,726). The charity retains reserves as a contingency against operational risks and for investment in strategic projects.

The amount of unrestricted reserves at the year end totals £353,512 (2021: £352,957). It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a minimum level of £50,000 held in cash at any one time. The Trustees considers 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's restricted funds relates to specific charitable projects

The Charity has no long term investments. Our cash reserves are held in deposit accounts only. The interest earned is considered by the Trustees as a gift from the UK banking system.

The 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.

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 NOVEMBER 2022**

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### **Plans for future periods**

The Charity aims to continue to provide support to both the younger and older generations within the area of benefit by providing further education where necessary.

### **Structure, governance and management**

The Charity was established by a charitable trust deed on 5 August 1969, with the constitution being sealed by the Charities Commission as a Charity Commission scheme on 29 November 1993.

The Trustees who served during the year were:

Mr A Mohamed  
Mr E A Musa  
Mr I M Seth  
Mr E A Isa  
Mr S Giga  
Mr H Rashid  
Mr M N Kathrada  
Mr S Kola  
Mr M Hussain  
Mr A Limbada  
Mr F Chapti  
Mr M A Atcha  
Mr I M Mangera  
Mr A E Atcha  
Mr I Umarji  
Mr A Patel

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### **Organisation and appointment and training of trustees**

The Charity is managed by an Executive Committee of Trustees whose composition is detailed at the front of this document. The trustees meet monthly on a formal basis and they also spend a considerable amount of time on a daily/weekly basis managing and developing the charity and its activities.

Any member of the Charity has the right to be elected to the Charity's Executive Committee. Nominations must be proposed by a member and seconded by another before the Annual General Meeting. If more nominations are received than needed, then a ballot is conducted, with those receiving the most votes being duly elected. The Executive Committee consists of fifteen members. Once elected each member serves for two years and shall retire at the second Annual General Meeting, following their election, but shall however remain eligible for re-election.

In addition to the Executive Committee, there is also a Trustee Committee consisting of five members, elected by the members at the Annual General Meeting. Once elected these Holding Trustees hold office for a period of five years from the date of election. The property and all assets of the Charity shall be vested in the Trustees Committee, to be dealt with by them as the Executive Committee shall from time to time direct by resolution. In the case of the resignation of the entire Executive Committee, the Trustee Committee will be responsible for all the affairs of the Charity.

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 NOVEMBER 2022**

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### Statement of trustees' responsibilities

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.

The trustees' report was approved by the Board of Trustees.



Mr Edris A Musa

(Management Trustee)

DATE 26-2-24

Mr Siraz Issa Giga



(Management Trustee)

DATE

26/2/2024

# **Independent auditor's report to the trustees of The Islamic Cultural Centre Zakariyya Jaam'e Masjid**

## **Opinion**

We have audited the financial statements of The Islamic Cultural Centre Zakariyya Jaam'e Masjid ('the charity') for the year ended 30 November 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 November 2022 and of its incoming resources and application of resources 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 the 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 trustee's 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 charity's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you, if, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- investigated the rationale behind significant or unusual transactions; and
- reviewed income and expenditure to ensure there was sufficient approval and oversight of the financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), the auditor exercises professional judgment and maintains professional scepticism throughout the audit. The auditor also:

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control; and
- Evaluates the appropriateness of accounting policies used.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

## **Reporting on the financial statements**

The auditor's report is required to contain a clear expression of opinion on the financial statements taken as a whole.

To form an opinion on the financial statements the auditor concludes as to whether:

- the financial statements adequately refer to or describe the applicable financial reporting framework;
- the financial statements appropriately disclose the significant accounting policies selected and applied. In making this evaluation, the auditor considers the relevance of the accounting policies to the entity and whether they have been presented in an understandable manner;
- the accounting policies selected and applied are consistent with the applicable financial reporting framework, and are appropriate;
- the accounting estimates made by the trustees are reasonable;
- the information presented in the financial statements is relevant, reliable, comparable and understandable. In making this evaluation, the auditor considers whether:
- the information that should have been included has been included, and whether such information is appropriately classified, aggregated or disaggregated, and characterised; and
- the overall presentation of the financial statements has been undermined by including information that is not relevant or that obscures a proper understanding of the matter disclosed;
- the financial statements provide adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the financial statements;
- the terminology used in the financial statements, including the title of each financial statement is appropriate.

When the financial statements are prepared in accordance with a fair presentation framework, the auditor also evaluates whether the financial statements achieve fair presentation (i.e gives true and fair view) including consideration of:

- the overall presentation, structure and content of the financial statements; and
- whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (or gives a true and fair view).

SKM Chartered Accountants is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a charity under section 1212 of the Companies Act 2006.

## Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature]



Shamim Mahomed, SKM Chartered Accountants, Statutory Auditor  
Pegasus House, 5 Winckley Court, Mount Street, Preston, PR1 8BU

[Date]

26/02/24

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>							
Charitable activities	3	356,901	419,264	776,165	495,285	107,431	602,716
<b>Expenditure on:</b>							
Charitable activities	4	326,314	401,470	727,784	415,289	102,776	518,065
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		30,587	17,794	48,381	79,996	4,655	84,651
Fund balances at 1 December 2021		352,957	3,669,726	4,022,683	272,961	3,665,071	3,938,032
<b>Fund balances at 30 November 2022</b>		383,544	3,687,520	4,071,064	352,957	3,699,726	4,022,683

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

All income and expenditure derive from continuing activities.

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## BALANCE SHEET

AS AT 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9	3,251,661		3,315,722	
Debtors	10	-		56,666	
		<u>3,251,661</u>		<u>3,372,388</u>	
<b>Current assets</b>					
Inventory		35,000		-	
Debtors	10	83,873		-	
Cash at bank and in hand		<u>728,909</u>		<u>668,185</u>	
		847,782		668,185	
<b>Creditors: amounts falling due within one year</b>	11	<u>(28,379)</u>		<u>(17,890)</u>	
Net current assets		819,403		650,295	
<b>Total assets less current liabilities</b>		<u>4,071,064</u>		<u>4,022,683</u>	
<b>Income funds</b>					
Restricted funds		3,687,520		3,669,726	
Unrestricted funds		<u>383,544</u>		<u>352,957</u>	
		<u>4,071,064</u>		<u>4,022,683</u>	



Mr E A Musa  
Trustee



Mr Siraz Issa Giga  
Trustee

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

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	2022	2022
	£	£
Net Income		48,381
<b>Add: Non-Cash Items</b>		
Depreciation	<u>67,441</u>	67,441
<b>Changes in Working Capital</b>		
Increase in Inventory	-35,000	
Increase in Debtors	-27,207	
Increase in Creditors	<u>10,489</u>	-51,718
<b>Cash flow from Investing Activities</b>		
Purchase of fixed assets		<u>-3,380</u>
Net cash Movement		60,724
<b>Cash and cash equivalent</b>		
Opening cash and cash equivalent		668,185
<b>Closing cash and cash equivalent</b>		<u><u>728,909</u></u>



Mr E A Musa  
Trustee



Mr Siraz Issa Giga  
Trustee

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2022

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#### 1 Accounting policies

##### Charity information

The Islamic Cultural Centre Zakariyya Jaam'e Masjid is a charity registered in England and Wales. The registered address is Zakariyya Jaam'e Masjid, 20 Peace Street, Bolton, BL3 5LJ.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the governing document scheme dated 29 November 1993 as amended on 31 March 2012, 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)' (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

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.

#### 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.

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 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.

Expenditure is recognised when it is incurred and is reported gross of related income on the following basis:

- Charitable activities include all expenditure associated with the operation of the Zakaria Mosque and Cultural Centre (including irrecoverable VAT on these amounts), and charitable donations made by way of Charity Sadka.
- Governance costs related to accounts and audit fees incurred (including irrecoverable VAT on these amounts).

#### 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:

Land and buildings	2% reducing balance
Fixtures, fittings & equipment	25% reducing balance

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.

#### 1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognized in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

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### 1 Accounting policies

(Continued)

#### **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.

#### **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.

### 1.10 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.

### 1.11 Funds

The funds of The Islamic Cultural Centre, Zakaria Mosque Bolton consists of unrestricted and restricted funds.

A restricted fund was created and all donations received for charitable causes, other than Zakaria Mosque Bolton Charity have been duly treated as restricted, and thus the resulting donations are held as a restricted fund.

Unrestricted funds are donations and other incoming resources receivable for the object of the Charity without further specified purpose and are available as general funds.

### 1.12 Donated services

Where services are provided to the Charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 NOVEMBER 2022**

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### **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.

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 3 Charitable activities

	Donations	Membership fees	Madrasses, shop and funeral income	Total 2022	Donations	Membership fees	Madrasses, shop and funeral income	Total 2021
	2022 £	2022 £	2022 £	£	2021 £	2021 £	2021 £	£
Sales within charitable activities	591,903	43,490	140,772	776,164	482,876	36,036	83,804	602,716
Analysis by fund								
Unrestricted funds	172,639	43,490	140,772	356,900	375,445	36,036	83,804	495,285
Restricted funds	419,264	-	-	419,264	107,431	-	-	107,431
	591,903	43,490	140,772	776,164	482,876	36,036	83,804	602,716

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

### 4 Charity Payments

	Donations 2022 £	Donations 2021 £
Grants to institutions (12 grants):		
People Needs UK	-	2,560
Other donations	12,250	7,005
Food Store	-	1,726
Basanthi Chanaka	29,819	16,217
Valan Social Welfare Hospital	-	38,789
Surat Hospital	-	31,648
Kokni Muslim	-	20,000
Global Rahmah	3,050	35,000
World Aid Convoy	-	2,395
Regencyway	-	1,450
Al Manahel	80,000	51,000
Feed the Family	-	-
Afghanistan Donation	51	-
Bolton Hospital BMCC	23,379	-
Bolton Council of Janaza	14,251	-
Pakistan Flood Donation	201,852	-
	<u>364,652</u>	<u>207,790</u>

### 5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but none of them were reimbursed for travelling expenses

### 6 Auditors' Remuneration

	2022	2021
Audit Fee	<u>3,300</u>	<u>12,000</u>

### 7 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration	<u>18</u>	<u>12</u>
<b>Employment costs</b>	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	108,307	79,805
Social security costs	3,359	1,127
	<u>111,665</u>	<u>80,932</u>

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

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 8 Taxation

The Islamic Cultural Centre, Zakaria Mosque Bolton is a registered charity and as such its income and gains falling within s.505 ICTA 88 or s.256 TCGA 92 are exempt from corporation tax to the extent that they are applied to charitable objectives.

### 9 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 December 2021	3,593,467	85,566	3,679,033
Additions	-	3,380	3,380
At 30 November 2022	3,593,467	88,946	3,682,413
<b>Depreciation and impairment</b>			
At 1 December 2021	278,967	84,344	363,311
Depreciation charged in the year	66,290	1,151	67,441
At 30 November 2022	345,257	85,495	430,752
<b>Carrying amount</b>			
At 30 November 2022	3,248,210	3,451	3,251,661
At 30 November 2021	3,314,500	1,222	3,315,722

### 10 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Other debtors	131,148	-
<b>Amounts falling due after more than one year:</b>		
Other debtors	-	56,666
Less: Bad Debts Written off	47,275	-
<b>Total debtors</b>	83,873	56,666

# THE ISLAMIC CULTURAL CENTRE ZAKARIYYA JAAM'E MASJID

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 NOVEMBER 2022

#### 11 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	-	5,890
Accruals and deferred income	28,379	12,000
	<u>28,379</u>	<u>17,890</u>

#### 12 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Fund balances at 30 November 2022 are represented by:						
Tangible assets	3,451	3,248,210	3,251,661	1,222	3,314,500	3,315,722
Current assets/(liabilities)	380,092	439,310	819,403	351,735	355,226	706,961
	<u>383,543</u>	<u>3,687,520</u>	<u>4,071,064</u>	<u>352,957</u>	<u>3,669,726</u>	<u>4,022,683</u>

#### 13 Related party transactions

Two related parties are receiving a wage per contracts of employment. The salaries are at market value, (£1,024 and £4,113 in total). Donations made by trustees and related parties total less than £1,000 per person in the year.