

CHARITY REGISTRATION NUMBER: 275697

**ISLAMIC CULTURE AND EDUCATION CENTRE  
BATTERSEA**

**Financial Statements**

**31 March 2023**

**SALEEMI ASSOCIATES**

Chartered accountants & statutory auditor  
792 Wickham Road  
Croydon CR0 8EA

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Financial Statements

Year ended 31 March 2023

	<b>Page</b>
Trustees' annual report	<b>1</b>
Independent auditor's report to the members	<b>6</b>
Statement of financial activities	<b>10</b>
Statement of financial position	<b>11</b>
Statement of cash flows	<b>12</b>
Notes to the financial statements	<b>13</b>

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Trustees' Annual Report

### Year ended 31 March 2023

The trustees present their report and the financial statements of the charity for the year ended 31 March 2023.

#### Reference and administrative details

**Registered charity name** ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

**Charity registration number** 275697

**Principal office** 73-75 Falcon Road  
Battersea  
London  
SW11 2PF

**The trustees**  
Mr M A Choudry – Chairman  
Mr M Arshad – General  
Secretary  
Dr M Akhteruzzaman - Treasurer  
Mr A K Barkatullah  
Mr N A Hashimi  
Mr D Hossain

**Auditor** Saleemi Associates  
Chartered accountants & statutory auditor  
792 Wickham Road  
Croydon CR0 8EA

**Bankers** National Westminster Bank Plc  
St John Road  
Battersea  
London  
SW11 1PB

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Trustees' Annual Report (*continued*)

Year Ended 31 March 2022

### Structure, governance and management

#### THE Trustees

The trustees who served the charity during the period were as follows:

Mr A A Karmani (Passed away 11<sup>th</sup> May 2022)  
Mr M A. Choudry  
Dr M Akhteruzzaman  
Mr M Arshad  
Mr A K Barkatullah  
Mr N A Hashimi  
Mr D Hossain

#### PASSING OF OUR CHAIRMAN ABDUL AZIZ KARMANI

إِنَّا لِلّٰهِ وَإِنَّا إِلَيْهِ رَاجِعُونَ, 'innā li-llāhi wa-'innā 'ilayhi rāji'ūn<sup>a</sup>

It is with sadness to report that Abdul Aziz Karmani passed away on 11<sup>th</sup> May 2022. May Allah grant him a place in the highest rank of Jannah and patience to the family.

#### BUILDING OUR FUTURE PROJECT

This year, donors of Qard-e-Hassanah have not requested the return of their Qard-e-Hassanah or asked for it to be used towards the building project. Accordingly, the balance of the Qard-e- Hassanah for which 'The Centre' is still indebted has remained at £44,000, which is shown in the accounts, under the heading creditors- bank loans and overdrafts.

#### STATUS

The organisation is a registered charity established by the Declaration of Trust made on the 15<sup>th</sup> of March 1978. The charity is governed by the Declaration of Trust and controlled by the trustees.

#### PRINCIPAL ACTIVITIES AND REVIEW

The principal activity of the charity during the year was the development of the Islamic faith and charity work in the London Borough of Wandsworth, with particular emphasis on promoting facilities for the young people and the elderly members of the community.

The results for the year are shown in the accounts and report. The progress during the year and the position at the year-end are considered to be satisfactory. Details of the activities are as follows:



# **ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA**

## **Trustees' Annual Report *(continued)***

**Year ended 31 March 2023**

### **MENTAL HEALTH FIRST AID COURSE**

Wandsworth Council's Grant of £4,588 for the 'Centre' to undertake the Mental Health First Aid course remains outstanding as this could not be undertaken in this financial year as well, this is shown separately within the restricted fund.

### **FOOD BANK INITIATIVE**

The Food Bank Initiative has continued to be provided this year. Currently, there are on average 35 plus individuals using the service every week.

### **SOCIAL, PERSONAL AND EDUCATIONAL DEVELOPMENT**

The open-door "Drop-In" sessions have had to be curtailed due to certain indoor projects taking place during that time. A Friday Youth Circle for over 16 commenced this year, with an average of 15 young people attending. The regular football project has attracted many young people to attend. Before and after the sessions, brief discussions are held to look at and tackle individual issues and problems encountered by members. This is followed by one-to-one sessions and helping them to deal with the issue at hand. The football sessions are structured training sessions which work towards developing young people's skills in playing football and nurturing them as good young people. During this project, monthly workshops are held, with young people exploring issues that are affecting them in their daily lives.

We are providing very varied club programs that meet the needs of Young People. The youth workers have developed very good relationships with those young people who have found it difficult to adjust in education or relate to their parents/careers. Our youth work team has used its skills to gain the trust of the young people in concern and worked hard with families, school and the young people to bring about a change that was beneficial for all. This was accomplished through intensive one-to-one sessions with individuals. IYG managed to provide advice, guidance and support to young people who were not in employment, or education and those who were in the fold of anti-social behaviour, drugs and gang culture by way of engaging them to take part in the football project and to attend monthly crime workshops.

### **SPORTS & RECREATIONAL ACTIVITIES**

Islamic Youth Group provided various activities for young people. The on-site activities were as follows: Box – fit, Judo, Table Tennis, Pool, Silat (a form of martial arts), Multi gym, Weight Training, IT and issue-based workshops. Off-site activities include football training for all age groups. The programs are advertised and delivered through its Monthly Program of activities. The operational days and the end-of-the-year attendance/uptake figures for these activities were as follows:

- Football boys. Sunday 5-14 years old. 30 boys attending
- Judo boys & girls. Saturday 4-9 years old. 10 attending
- Martial arts boys. Saturday under 14s on average 7 attending.
- Kickboxing boys. Sunday 10 boys attending
- Box Fit girls. Friday 5-11 years old. 10 attending
- Table tennis team over 16 every Monday. 3 players in the team

In addition, a Football tournament and mini-golf were also provided.

# **ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA**

## **Trustees' Annual Report *(continued)***

**Year ended 31 March 2023**

### **TRIPS TO PLACES OF INTEREST, RESIDENTIALS AND WORKSHOPS**

During the Winter Holidays Trips were organised to flip out and to an Ice-skating venue.  
During the Summer Holidays, Young people visited Regents Park Mosque, Sky TV and the British Museum.

### **ISLAMIC FESTIVALS AND OPEN DAYS**

Special programs were held to celebrate important Islamic Festivals including Ramadan, Eid-ul-Fitr and Eid-ul-Adha. Open events and discussions were held for the entire local community for both Muslims and non-Muslims throughout the year on various topics.

### **RELIGIOUS TEACHING**

The Madrasah's curriculum delivers basic teaching about Islam including Qur'an, Hifz, Tajweed, Hadith, Fiqh, Akhlaaq-wal-Adaab, Aqaaid and Islamic History.

Sessions were held for the youth, where they were encouraged to discuss, share, question ideas and gather thoughts on any topical issues that may have affected their day-to-day life.

Weekly attendance figures for the weekend madressa were 137 young people.

Weekly attendance figures for the weekday madressa were 90 young people.

### **RISK REVIEW**

The trustees have conducted their review of the major risks to which the charity is exposed and systems are in place to mitigate those risks. The systems, controls and procedures are periodically reviewed to ensure that they meet the needs of the charity.

### **RESERVE POLICY**

The trustees aim to maintain free reserves in unrestricted funds at a level that equates to approximately three months of unrestricted charitable expenditure, equivalent to £50,000. The trustees consider that this level will provide sufficient funds to ensure that support costs and emergency building works are covered. The balance held as unrestricted funds at 31 March 2023 is £2,187,490, of which £217,868 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets. The trustees are in the process of drafting a reserve policy for next year.

### **Trustees' responsibilities statement**

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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

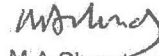
## Trustees' Annual Report *(continued)*

### Year ended 31 March 2023

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the 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' annual report was approved on 30/01/2024 and signed on behalf of the board of trustees by:

  
M A Choudry  
Chairman

  
Dr. M Akhteruzzaman  
Treasurer



# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Independent Auditor's Report to the Members of ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

Year ended 31 March 2023

### Opinion

We have audited the financial statements of Islamic Culture and Education Centre Battersea (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, statement of financial position, 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 Financial Reporting Standard 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 31 March 2023, 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 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 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 charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Independent Auditor's Report to the Members of ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA *(continued)*

### Year ended 31 March 2023

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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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

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:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 with the Charities SORP (FRS 102), UK tax legislation, pensions legislation, Anti Money Laundering regulation, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation, Employment



# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Independent Auditor's Report to the Members of ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA *(continued)*

### Year ended 31 March 2023

legislation and health and safety regulation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity to operate or to avoid a material penalty. We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principle risks were related to manual journal entries to manipulate financial performance, management bias through judgments and assumptions is significant accounting estimates, in particular in relation to the use of restricted funds, and significant one-off or unusual transactions.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to an enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant, donation and collection, recognition of grant expenditure and the override of controls by management.

Our audit procedures to respond to these risks included enquiries of management, including senior management and internal accountants about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, detailed reviews of a sample of funding agreements for income and grant expenditure and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Independent Auditor's Report to the Members of ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA *(continued)*

### Year ended 31 March 2023

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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 we identify during our audit.

### Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Saleemi Associates  
Chartered accountants a& Statutory auditor  
792 Wickham Road  
Croydon CR0 8EA

Date : 31/01/2024

*Saleemi Associates is eligible for appointment as auditor of the charity virtue of its eligibility for appointment as auditor of a company under section by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.*

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Statement of Financial Activities

Year ended 31 March 2023

		Unrestricted funds £	2023 Restricted funds £	Total funds £	2022 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	4	190,322	12,670	<b>202,992</b>	204,651
Other trading activities	5	39,140	—	<b>39,140</b>	40,273
<b>Total income</b>		<u>229,462</u>	<u>12,670</u>	<u><b>242,132</b></u>	<u>244,924</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6,7	151,858	11,855	<b>163,713</b>	152,890
<b>Total expenditure</b>		<u>151,858</u>	<u>11,855</u>	<u><b>163,713</b></u>	<u>152,890</u>
<b>Net income and net movement in funds</b>		<u>77,604</u>	<u>815</u>	<u><b>78,419</b></u>	<u>92,034</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,109,887	5,453	<b>2,115,340</b>	2,023,306
<b>Total funds carried forward</b>		<u>2,187,491</u>	<u>6,268</u>	<u><b>2,193,759</b></u>	<u>2,115,340</u>

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

The notes on pages 13 to 20 form part of these financial statements.



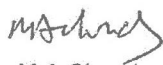
# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible fixed assets	11	1,969,622	1,928,677
<b>Current assets</b>			
Cash at bank and in hand		268,489	231,015
Creditors: amounts falling due within one year	12	44,352	44,352
<b>Net current assets</b>		<u>224,137</u>	<u>186,663</u>
<b>Total assets less current liabilities</b>		<u>2,193,759</u>	<u>2,115,340</u>
<b>Net assets</b>		<u>2,193,759</u>	<u>2,115,340</u>
<b>Funds of the charity</b>			
Restricted funds		6,268	5,453
Unrestricted funds		<u>2,187,491</u>	<u>2,109,887</u>
<b>Total charity funds</b>	14	<u>2,193,759</u>	<u>2,115,340</u>

These financial statements were approved by the board of trustees and authorised for issue on 30/01/2024 and are signed on behalf of the board by:

  
M A Choudry  
Chairman

  
Dr. M Akhteruzzaman  
Treasurer

The notes on pages 13 to 20 form part of these financial statements.

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net income	78,419	92,034
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	1,453	936
Government grant income	(11,855)	(28,546)
Accrued expenses	—	18
<i>Changes in:</i>		
Trade and other creditors	—	(5,000)
Cash generated from operations	68,017	59,442
Net cash from operating activities	<u>68,017</u>	<u>59,442</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(42,398)	(17,392)
Net cash used in investing activities	<u>(42,398)</u>	<u>(17,392)</u>
<b>Cash flows from financing activities</b>		
Government grant income	11,855	28,546
Net cash from financing activities	<u>11,855</u>	<u>28,546</u>
<b>Net increase in cash and cash equivalents</b>	<b>37,474</b>	<b>70,596</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>231,015</b>	<b>160,419</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>268,489</u></b>	<b><u>231,015</u></b>

The notes on pages 13 to 20 form part of these financial statements.

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Notes to the Financial Statements

Year ended 31 March 2023

### 1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 73-75 Falcon Road, Battersea, London, SW11 2PF.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going concern

There are no material uncertainties about the charity's ability to continue.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2023

#### 3. Accounting policies *(continued)*

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Tangible assets

All fixed assets are initially recorded at cost.

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 3. Accounting policies *(continued)*

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- 15% reducing balance
- 15% reducing balance

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

#### Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.



# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 3. Accounting policies *(continued)*

#### Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### 4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Donation & collection	110,902	—	<b>110,902</b>
Donation & collection-Ramadhan-provision for Iftaar	2,167	—	<b>2,167</b>
Donation & collection-Building project	—	—	—
Donation & collection-Funeral fund	—	815	<b>815</b>
Donation & collection-Food bank	—	—	—
<b>Grants</b>			
Government grant income- Mosque activity	—	6,355	<b>6,355</b>
Government grant income- Youth activity	—	5,500	<b>5,500</b>
<b>Subscriptions</b>			
Contribution, fees & subscription - Mosque activity	46,352	—	<b>46,352</b>
Contribution, fees & subscription - Youth activity	30,901	—	<b>30,901</b>
	<u>190,322</u>	<u>12,670</u>	<u><b>202,992</b></u>

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Notes to the Financial Statements (continued)

Year ended 31 March 2023

### 4. Donations and legacies (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Donation & collection	111,796	865	112,661
Donation & collection Special	—	—	—
Donation & collection-Building project	5,000	—	5,000
Donation & collection-Funeral fund	—	—	—
Donation & collection-Food bank	—	1,650	1,650
<b>Grants</b>			
Government grant income- Mosque activity	—	19,976	19,976
Government grant income- Youth activity	—	8,570	8,570
<b>Subscriptions</b>			
Contribution, fees & subscription - Mosque activity	34,076	—	34,076
Contribution, fees & subscription - Youth activity	22,718	—	22,718
	<u>173,590</u>	<u>31,061</u>	<u>204,651</u>

### 5. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Calendar, books & food sales - Youth activity	870	870	1,107	1,107
Calendar, books & food sales - Mosque activity	2,029	2,029	2,583	2,583
Letting and licensing	36,241	36,241	36,583	36,583
	<u>39,140</u>	<u>39,140</u>	<u>40,273</u>	<u>40,273</u>

### 6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Mosque activity	80,638	6,355	86,993
Youth group activity	63,872	5,500	69,372
Support costs	7,348	—	7,348
	<u>151,858</u>	<u>11,855</u>	<u>163,713</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Mosque activity	66,123	17,038	83,161
Youth group activity	52,043	8,570	60,613
Support costs	9,116	—	9,116
	<u>127,282</u>	<u>25,608</u>	<u>152,890</u>

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Notes to the Financial Statements (continued)

Year ended 31 March 2023

### 7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Mosque activity	86,993	4,232	91,225	88,631
Youth group activity	69,372	3,116	72,488	64,259
	<u>156,365</u>	<u>7,348</u>	<u>163,713</u>	<u>152,890</u>

### 8. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>1,453</u>	<u>936</u>

### 9. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	107,128	87,532
Social security costs	2,651	4,294
	<u>109,779</u>	<u>91,826</u>

The average headcount of employees during the year was 24 (2022: 24).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

### 10. Trustee remuneration and expenses

None of the Trustees were remunerated or received any expenses during the year.



# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Notes to the Financial Statements (continued)

Year ended 31 March 2023

### 11. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2022	1,923,373	50,752	30,126	2,004,251
Additions	38,013	4,385	—	42,398
<b>At 31 March 2023</b>	<u>1,961,386</u>	<u>55,137</u>	<u>30,126</u>	<u>2,046,649</u>
<b>Depreciation</b>				
At 1 April 2022	—	48,463	27,111	75,574
Charge for the year	—	1,001	452	1,453
<b>At 31 March 2023</b>	<u>—</u>	<u>49,464</u>	<u>27,563</u>	<u>77,027</u>
<b>Carrying amount</b>				
<b>At 31 March 2023</b>	<u>1,961,386</u>	<u>5,673</u>	<u>2,563</u>	<u>1,969,622</u>
At 31 March 2022	<u>1,923,373</u>	<u>2,289</u>	<u>3,015</u>	<u>1,928,677</u>

### 12. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	352	352
Qard-e-hassanah	44,000	44,000
	<u>44,352</u>	<u>44,352</u>

### 13. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2023 £	2022 £
Recognised in income from donations and legacies:		
Government grants income	<u>11,855</u>	<u>28,546</u>

### 14. Analysis of charitable funds

#### Unrestricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
General funds	<u>2,109,887</u>	<u>229,462</u>	<u>(151,858)</u>	<u>2,187,491</u>

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>2,023,306</u>	<u>213,863</u>	<u>(127,282)</u>	<u>2,109,887</u>

# ISLAMIC CULTURE AND EDUCATION CENTRE BATTERSEA

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 14. Analysis of charitable funds *(continued)*

#### Restricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
Restricted Fund	<u>5,453</u>	<u>12,670</u>	<u>(11,855)</u>	<u>6,268</u>

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
Restricted Fund	<u>—</u>	<u>31,061</u>	<u>(25,608)</u>	<u>5,453</u>

### 15. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	1,969,622	—	1,969,622
Current assets	262,221	6,268	268,489
Creditors less than 1 year	(44,352)	—	(44,352)
<b>Net assets</b>	<u>2,187,491</u>	<u>6,268</u>	<u>2,193,759</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,928,677	—	1,928,677
Current assets	225,562	5,453	231,015
Creditors less than 1 year	(44,352)	—	(44,352)
<b>Net assets</b>	<u>2,109,887</u>	<u>5,453</u>	<u>2,115,340</u>

### 16. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	<u>231,015</u>	<u>37,474</u>	<u>268,489</u>