

REGISTERED CHARITY NUMBER: 1098114

**Trustees' Report and
Unaudited Financial Statements for the Year Ended 31st December 2019
for
Sri Lanka Islamic (UK) Association**

Sri Lanka Islamic (UK) Association

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Sri Lanka Islamic (UK) Association
Trustees' Report
for the Year Ended 31st December 2019

The trustees present their report with the financial statements of the charity for the year ended 31st December 2019. The trustees have adopted the provisions of 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

Objectives and aims

The charity was set up to assist, protect, preserve and enhance religious, cultural and social values within the spirit of the Islamic tradition and Sri Lankan culture in association and corporation with other organisations where relevant. It was also set up to promote educational, cultural, social, sports and welfare work to the benefit of the community as a whole.

The objects of Sri Lanka Islamic (UK) Association are to:

- a) To advance the Muslim religion for the benefit of the public among Muslims in the United Kingdom including by the provision of facilities for prayer gathering;
- b) To advance Islamic education for the benefit of the public;
- c) To relieve poverty amongst Muslim students;
- d) To prevent or relieve poverty of suffering communities worldwide by facilitating humanitarian activities and supporting welfare projects for the social upliftment of poor communities in Sri Lanka.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. It is the trustee's opinion that the operation of the charity in its present form is for the public benefit under the principles set out in the Charity Commission guidance.

Sri Lanka Islamic (UK) Association
Trustees' Report
for the Year Ended 31st December 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The main charitable activities during the year were as follows:

1. The charity organised several religious events during the year. Four Iftar events were organised during the month of Ramadan during the four Saturdays. This was followed by Eid ul Fitr lunch at the Novotel Hotel in June for around 200 guests. The occasion was a great opportunity to raise funds through an American style Auction to assist families following the Easter bombing attack in Sri Lanka.
2. Other religious events included a Milad -un -Nabi celebration and Zikr gatherings.
3. The charity also raised funds by participating in the annual London Asics 10K run in July 2019.
4. During the year the charity assisted less fortunate families back Sri Lanka by providing food parcels to those in need for the Ramadan fast.

FINANCIAL REVIEW

Financial position

The primary funding source is membership fees and also donations from members during events. The charity received £2,135 (2018: £2,117) in membership subscriptions.

Other specific donations received during the year were in relation to the Easter Sunday assistance fund.

Rental Income for the year was only £7,500 which was impacted by a premature termination of the long lease, as the tenant faced financial difficulties. Legal fees associated with the early termination and six months of vacancy period are some of the other factors impacting net rental income. Part of the legal fees were recovered from the tenant's security deposit.

Charity distribution from the Ramadan fund for 2019 was agreed at £16,286 targeting two villages. Unfortunately, the distribution could only be executed at one of the villages where the commitment was for £6,697 while the remaining funds transferred of £9,589 could not be executed due to logistic issues following the Easter bombing. These funds are being held in Sri Lanka and will be used to provide food parcels to families during 2020 Ramadan.

Sri Lanka Islamic (UK) Association
Trustees' Report
for the Year Ended 31st December 2019

FINANCIAL REVIEW

Reserves policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organization. Trustees are committed to generating enough reserves to support current organizational activities to meet the charity's financial requirements.

Its forecasts for levels of income in current year and future years taking into account the reliability of each source of income and its expenditure. The charity does not have any commitments as all events are paid for by the members and any shortfalls are made from donations received during the event or from rental income. The charity owns an investment from which it earns rental income and there is no mortgage on it.

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The Trustees consider that the ideal level of reserves as at 31 December 2019 would be £10,000 (2018: £10,000).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Charity constitution

The charity was established in March 1973 and registered as a charity with the Charity Commission with effect from 20 June 2003 with amendments made on 28th March 2004, 19th June 2004, 26th March 2006 and 25th May 2019.

Recruitment and appointment of new trustees

The trustees are responsible for the administration and investment policy of the charity. Nominations for new trustees are proposed in writing and are required to be seconded by the ordinary members. New trustees are voted by the members during the AGM. Trustees can be removed by the Board of Trustees which consist of Office Bearers and Committee Members.

Induction training is given to the trustees on appointment. New trustee would also receive training from an existing trustee about the charity and their responsibilities as a trustee and would receive a copy of the Charity Commission's guide for new trustee. Ongoing training is provided as required.

Sri Lanka Islamic (UK) Association
Trustees' Report
for the Year Ended 31st December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The committee as charity trustees have control of the charity. The committee shall consist of six Office Bearers and five Committee members (as amended at the AGM on 28 March 2004 and ratified at the SGM on 25 May 2019).

Annual General Meetings are usually held in the months of March or April each year to receive General Secretary's report, Treasurer's Annual Accounts and to elect Office Bearers (Trustees) for the forthcoming year proposed and seconded by fully paid up members of the Charity.

Charity trustees comprise of Office Bearers and Committee Members. The Committee is responsible for the day to day operations of the charity. The following were the trustees during the year:

Office Bearers:

Mr Ahamed Wahab - President
Mr Rafat Hashim - Vice President
Mrs Manjula Ossman- General Secretary
Mr Tariq Salih - Assistant Secretary
Mr Imtiaz Muhseen - Treasurer
Mr Ikraam Fareed - Assistant Treasurer

Committee Members:

Mr I Harris
Mr G Hameed
Mr K Malhar
Mr A Hilmy
Mr A Saleem

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1098114

Principal address

7 Broadway Buildings
Boston Road
Hanwell
London
W7 3TT

Sri Lanka Islamic (UK) Association

**Trustees' Report
for the Year Ended 31st December 2019**

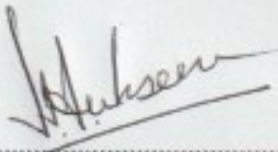
Trustees

Mr A Wahab
Mr K Malhar
Mr N Atheeque (resigned 7.4.19)
Mr R Hashim
Mr S Sadiq (resigned 7.4.19)
Mr T Salih
Mr I Fareed
Mr I Harris
Mrs M Ossman (appointed 7.4.19)
Mr I Muhseen (appointed 7.4.19)
Mr G Hameed (appointed 7.4.19)
Mr A Hilmy (appointed 7.4.19)
Mr A Saleem (appointed 7.4.19)
Mr J Marzook (resigned 7.4.19)

Independent Examiner

Tahira Siddiqui FCA, MSc
S. Syedain & Co
Chartered Accountants
First Floor
87 Kenton Road
Harrow
Middlesex
HA3 0AH

Approved by order of the board of trustees on 30/10/2020 and signed on its behalf
by:



Mr I Muhseen - Trustee

**Independent Examiner's Report to the Trustees of
Sri Lanka Islamic (UK) Association**

Independent examiner's report to the trustees of Sri Lanka Islamic (UK) Association

I report to the charity trustees on my examination of the accounts of Sri Lanka Islamic (UK) Association (the Trust) for the year ended 31st December 2019.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act;
or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Tahira Siddiqui FCA, MSc
S. Syedain & Co
Chartered Accountants
First Floor
87 Kenton Road
Harrow
Middlesex
HA3 0AH

Date: 31/10/2020

Sri Lanka Islamic (UK) Association

Statement of Financial Activities
for the Year Ended 31st December 2019

		Unrestricted fund £	Restricted funds £	31.12.19 Total funds £	31.12.18 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies		18,722	-	18,722	41,695
Investment income	2	7,600	-	7,600	15,000
Total		26,322	-	26,322	56,695
EXPENDITURE ON					
Raising funds		1,476	-	1,476	689
Charitable activities					
Admin Costs		3,732	-	3,732	1,461
Cost of generating funds		12,456	-	12,456	35,002
Other Costs		9,365	-	9,365	3,143
Other		171	-	171	201
Total		27,200	-	27,200	40,496
Net gains/(losses) on investments		156,629	-	156,629	(1,738)
NET INCOME		155,751	-	155,751	14,461
RECONCILIATION OF FUNDS					
Total funds brought forward		303,717	32,158	335,875	321,414
TOTAL FUNDS CARRIED FORWARD		459,468	32,158	491,626	335,875

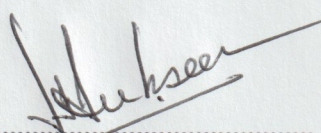
The notes form part of these financial statements

Sri Lanka Islamic (UK) Association

Balance Sheet 31st December 2019

	Notes	Unrestricted fund £	Restricted funds £	31.12.19 Total funds £	31.12.18 Total funds £
FIXED ASSETS					
Tangible assets	4	970	-	970	1,141
Investment property	5	350,000	-	350,000	193,371
		<u>350,970</u>	<u>-</u>	<u>350,970</u>	<u>194,512</u>
CURRENT ASSETS					
Debtors	6	10,117	-	10,117	15,090
Cash at bank		101,361	32,158	133,519	131,452
		<u>111,478</u>	<u>32,158</u>	<u>143,636</u>	<u>146,542</u>
CREDITORS					
Amounts falling due within one year	7	(2,980)	-	(2,980)	(5,179)
NET CURRENT ASSETS		<u>108,498</u>	<u>32,158</u>	<u>140,656</u>	<u>141,363</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>459,468</u>	<u>32,158</u>	<u>491,626</u>	<u>335,875</u>
NET ASSETS		<u>459,468</u>	<u>32,158</u>	<u>491,626</u>	<u>335,875</u>
FUNDS	8				
Unrestricted funds				459,468	303,717
Restricted funds				32,158	32,158
TOTAL FUNDS				<u>491,626</u>	<u>335,875</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30/10/2020 and were signed on its behalf by:


Mr I Muhseen - Trustee

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31st December 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Equipments	- 15% on reducing balance
Books	- 15% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any surplus or deficit arising from changes in market value is recognised in statement of financial activities.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Sri Lanka Islamic (UK) Association

Notes to the Financial Statements - continued
for the Year Ended 31st December 2019

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. INVESTMENT INCOME

	31.12.19	31.12.18
	£	£
Rents received	7,600	15,000
	<u> </u>	<u> </u>

The property was empty for six months during the year.

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2019 nor for the year ended 31st December 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2019 nor for the year ended 31st December 2018.

Sri Lanka Islamic (UK) Association

Notes to the Financial Statements - continued
for the Year Ended 31st December 2019

4. TANGIBLE FIXED ASSETS

	Fixtures and Equipments £	Books £	Totals £
COST			
At 1st January 2019 and 31st December 2019	6,195	1,036	7,231
DEPRECIATION			
At 1st January 2019	5,079	1,011	6,090
Charge for year	167	4	171
At 31st December 2019	5,246	1,015	6,261
NET BOOK VALUE			
At 31st December 2019	949	21	970
At 31st December 2018	1,116	25	1,141

5. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st January 2019	193,371
Revaluation	156,629
At 31st December 2019	350,000
NET BOOK VALUE	
At 31st December 2019	350,000
At 31st December 2018	193,371

The property has been valued at the current market value by the trustees as obtained from reliable agents. The trustees consider the market value of the investment property to be a material approximation to the current market value.

Sri Lanka Islamic (UK) Association

Notes to the Financial Statements - continued
for the Year Ended 31st December 2019

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Other debtors	9,839	15,036
Prepayments	278	54
	<u>10,117</u>	<u>15,090</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Other creditors	2,980	5,179
	<u>2,980</u>	<u>5,179</u>

8. MOVEMENT IN FUNDS

	At 1.1.19	Net movement	At
	£	in funds	31.12.19
		£	£
Unrestricted funds			
General fund	303,717	155,751	459,468
Restricted funds			
School Fund	2,500	-	2,500
Water Fund	1,330	-	1,330
Distress Fund	2,335	-	2,335
Walk for Syria Fund	4,993	-	4,993
Neeravapitty building project	21,000	-	21,000
	<u>32,158</u>	<u>-</u>	<u>32,158</u>
TOTAL FUNDS	<u>335,875</u>	<u>155,751</u>	<u>491,626</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	26,322	(27,200)	156,629	155,751
	<u>26,322</u>	<u>(27,200)</u>	<u>156,629</u>	<u>155,751</u>
TOTAL FUNDS	<u>26,322</u>	<u>(27,200)</u>	<u>156,629</u>	<u>155,751</u>

Sri Lanka Islamic (UK) Association

Notes to the Financial Statements - continued
for the Year Ended 31st December 2019

8. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
Unrestricted funds				
General fund	270,904	13,484	19,329	303,717
Restricted funds				
Toilets Fund	19,102	227	(19,329)	-
School Fund	2,500	-	-	2,500
Water Fund	1,330	-	-	1,330
Distress Fund	2,585	(250)	-	2,335
Walk for Syria Fund	4,993	-	-	4,993
Neeravapitty building project	20,000	1,000	-	21,000
	<u>50,510</u>	<u>977</u>	<u>(19,329)</u>	<u>32,158</u>
TOTAL FUNDS	<u>321,414</u>	<u>14,461</u>	<u>-</u>	<u>335,875</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	55,468	(40,246)	(1,738)	13,484
Restricted funds				
Toilets Fund	227	-	-	227
Distress Fund	-	(250)	-	(250)
Neeravapitty building project	1,000	-	-	1,000
	<u>1,227</u>	<u>(250)</u>	<u>-</u>	<u>977</u>
TOTAL FUNDS	<u>56,695</u>	<u>(40,496)</u>	<u>(1,738)</u>	<u>14,461</u>

Sri Lanka Islamic (UK) Association

Notes to the Financial Statements - continued
for the Year Ended 31st December 2019

8. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	270,904	169,235	19,329	459,468
Restricted funds				
Toilets Fund	19,102	227	(19,329)	-
School Fund	2,500	-	-	2,500
Water Fund	1,330	-	-	1,330
Distress Fund	2,585	(250)	-	2,335
Walk for Syria Fund	4,993	-	-	4,993
Neeravapitty building project	20,000	1,000	-	21,000
	<u>50,510</u>	<u>977</u>	<u>(19,329)</u>	<u>32,158</u>
TOTAL FUNDS	<u>321,414</u>	<u>170,212</u>	<u>-</u>	<u>491,626</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	81,790	(67,446)	154,891	169,235
Restricted funds				
Toilets Fund	227	-	-	227
Distress Fund	-	(250)	-	(250)
Neeravapitty building project	1,000	-	-	1,000
	<u>1,227</u>	<u>(250)</u>	<u>-</u>	<u>977</u>
TOTAL FUNDS	<u>83,017</u>	<u>(67,696)</u>	<u>154,891</u>	<u>170,212</u>

Sri Lanka Islamic (UK) Association

Notes to the Financial Statements - continued
for the Year Ended 31st December 2019

9. RELATED PARTY DISCLOSURES

The charity raised funds in order to purchase food parcels in Sri Lanka to be distributed during Ramadan. The amount sent was £9,589 and was transferred to the business bank account of a company based in Sri Lanka that was owned by the husband of the General Secretary for the purposes of safe keeping and security. The CEO of this company has been involved in many of the past Ramadan distribution programmes and is well known by many of the members of the charity.

The amount that was transferred to Sri Lanka was intended to be used to purchase food parcels to be distributed during Ramadan in 2019. However due to political unrest the distribution was not able to be performed and hence the food parcels were purchased and distributed in August 2020 instead.

There were sufficient controls in place to safeguard the charity's asset and the distribution was made in the presence of another committee member and other witnesses.

Sri Lanka Islamic (UK) Association

Detailed Statement of Financial Activities
for the Year Ended 31st December 2019

	31.12.19 £	31.12.18 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	18,722	33,877
Gift aid	-	7,418
Other Income	-	400
	<hr/>	<hr/>
	18,722	41,695
Investment income		
Rents received	7,600	15,000
	<hr/>	<hr/>
Total incoming resources	26,322	56,695
 EXPENDITURE		
Raising donations and legacies		
Postage and stationery	1,476	629
Membership Fee	-	60
	<hr/>	<hr/>
	1,476	689
Charitable activities		
Rent and Rates	1,000	-
Premises Cost	1,526	1,302
Sundries	142	1,787
Religious Celebrations	12,456	31,316
Charitable Donations	6,697	3,686
	<hr/>	<hr/>
	21,821	38,091
Other		
Fixtures and fittings	167	197
Library Books	4	4
	<hr/>	<hr/>
	171	201
Support costs		

This page does not form part of the statutory financial statements

Sri Lanka Islamic (UK) Association

Detailed Statement of Financial Activities
for the Year Ended 31st December 2019

	31.12.19 £	31.12.18 £
Support costs		
Finance		
Bank charges	30	15
Governance costs		
Accountancy charges	1,980	1,500
Legal Fees	1,722	-
	<u>3,702</u>	<u>1,500</u>
Total resources expended	<u>27,200</u>	<u>40,496</u>
Net (expenditure)/income before gains and losses	(878)	16,199
Realised recognised gains and losses		
Realised gains/(losses) on investment property	156,629	(1,738)
Net income	<u><u>155,751</u></u>	<u><u>14,461</u></u>

This page does not form part of the statutory financial statements