

Islamic Education and Cultural Society
Trustees Report
And
Financial Statements
For the year ended 31 March 2020

Islamic Education and Cultural Society
Trustees Report and Financial Statements
For the year ended 31 March 2020

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Islamic Education and Cultural Society
Charity Information

Trustees

Mr Obaidur Rehman Siddiqui

Mr Tahir Yusuf Awan

Mr Kashif Shaikh (Removed from office 6 March 2020)

Dr Sheikh Mahmood

Registered number

291986

Accountants

ABA Accountants Limited

Suite 123

372 Old Street

London

EC1V 9LT

Bankers

Barclays Bank Plc

Registered office

Civic Hall

3 Pump Lane

Hayes

Middlesex

UB3 3NB

Islamic Education and Cultural Society
Trustees Report
For the year ended 31 March 2020

The Trustees present their report together with the financial statements of Islamic Education and Cultural Society for the year ended 31 March 2020.

Constitution

The Islamic Education and Cultural Society instituted under the constitution and was registered with the Charity Commission on 12 June 1985. Its registered charity number is 291986.

Objectives, Mission Statement, Aims & Activities

The objects of the Society are:

- a)- to promote and advance the Religion of Islam; and
- b)- to promote and advance education

Trustees

The Trustees who served the Society during the period were:

Mr Obaidur Rehman Siddiqui
Mr Tahir Yusuf Awan
Dr Sheikh Mahmood
Mr Kashif Shaikh (removed from office 6 March 2020)

Accounting policies

The Financial Statements have been prepared in accordance with the Charities Act 2011 and with the Financial Reporting Standard for Smaller Entities (FRSSE) effective 2015 adopted to meet the needs of unincorporated organisations, as modified by Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England and Wales, effective January 2015 (The SORP 2015), under the historical cost convention and accounting policies set out in notes to the financial statements. There have been no changes to the accounting policies during the year.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the society faces and confirm that the systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Reserves

The society has adequate reserves to fulfil its charitable obligations.

Summary of main activities and achievements during the year

The main achievement in the current financial year has been the continued fundraising for the new site 'The former Angel Pub'. This project was our main priority and the community have come together to raise the funds and also provide interest free loans (Qarza Hasana) to successfully achieve this. These loans were just under £500k so all efforts have been directed to pay this off and reduce our debt, so that the charity becomes debt free again.

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The other achievement is the refurbishment of the wudu/wash rooms upstairs & down stairs. This worked started in December 2019 and was completed just after lockdown. New style wudumate cubicles were installed in both mens and ladies washrooms. This is a great achievement as we have been planning this for many years.

Operationally we continue to serve, educate, engage and support the community as much as we can. Our Friday drop in/ awareness sessions with our local stakeholders have been continuing. We have had Police , Carers support, Fostering , Disability Awareness, Cancer awareness, and NHS Health Check ups.

The ladies have been running the Bric a Brac and Food fayre's which have been a success in order to raise funds for the Angel.

In March 2020, we faced the COVID -19 lockdown, in which the Centre closed down on the 19th March 2020, the financial year ended in a era of uncertainty. We continued communication with our community and members through social media, in order to help and support them through these difficult times

Trustees' Responsibilities in relation to the financial statements

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare financial statements on going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993. The Trustees 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.

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Other matters

The Society had a vigorous donation campaign this year in order to acquire its own freehold site within the timeframe agreed with the seller. As a result the gross donations crossed the benchmark of £1 million which require the accounts to be audited. However Trustees believe that this is a one off event and is not expected to happen again in foreseeable future. Therefore Trustees have applied to the Charities Commission to allow waiver of statutory audit for this year. At the time of signing these accounts, we are still to hear back from the Charities Commission about their decision. However in the meantime, as advised by the Charities Commission, we are submitting these accounts to the Charities Commission, unaudited. The Trustees are fully committed and endeavour to conduct the statutory audit should the Charities Commission require us to do so.

Signed on behalf of Trustees



Mr Tahir Yusuf Awan
Trustee

Date: 26th Jan 2021.

Islamic Education and Cultural Society
Accountant's Report to the Trustees of Islamic Education and Cultural Society
For the year ended 31 March 2020

Respective Responsibilities of Trustees

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year (under 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed (refer to "emphasis of matter" below).

It is our responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to our attention.

Basis of Independent Examiner's Statement

Our examination was carried out in accordance with the General Directions given by the Charities Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by these accounts, and the report is limited to the matters set out in the statement below.

Independent Examiner's Statement

In connection with our examination, no matter has come to our attention:

- (1) - which gives us reasonable cause to believe that in any material respect the requirements:
 - (a)- to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (b)- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- (2) - to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Emphasis of matter

The accounts for the reporting year required an audit under Charities Act 2011 as the gross donation crossed the £1 million benchmark. However the Trustees have applied to the Charity Commission for waiver of statutory audit as described in 'other matters' in the Trustees Report.

ABA Accountants

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372 Old Street
London
EC1V 9LT

27 / 01 / 2021

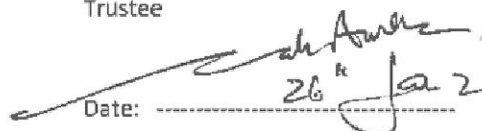
Date:

	2020	2020	2020	2020	2019
Islamic Education and Cultural Society	Unrestricted	Restricted	Fixed	Total	Total
Statement of Financial Activities	Funds	Funds	Assets	Funds	Funds
For the year ended 31 March 2020	£	£	£	£	£
Income					
Donations and collections	817,679	72,250	-	889,928	383,607
Madrassa fee	128,189	-	-	128,189	96,907
Grants	-	735	-	735	6,615
Other income	39,087	-	-	39,087	29,642
Total income resources	984,954	72,985	-	1,057,939	516,771
Resources Expended					
Wages and salaries including pension	139,816	-	-	139,816	111,382
Caretaker's costs	13,949	-	-	13,949	5,884
Light and heat	10,859	-	-	10,859	20,959
Rent, rates and water charges	8,263	-	-	8,263	6,206
Security expenses	1,449	-	-	1,449	812
Cleaning & refuse management	5,730	-	-	5,730	6,466
Repair & maintenance and minor additions	18,364	-	-	18,364	31,141
Stationery, printing and postage	1,466	-	-	1,466	3,920
Telecommunication	1,398	-	-	1,398	811
Cultural expenses	17,658	435	-	18,093	32,283
Donation to other charities & destitutes	4,188	64,644	-	68,832	51,107
Travel	3,791	-	-	3,791	5,230
Consultancy	44,431	300	-	44,731	25,719
Other legal expenses	811	-	-	811	451
Misc Madrassa Expenses, books etc.	3,353	-	-	3,353	4,757
Bank charges	8,975	-	-	8,975	3,071
Examiner fee	750	-	-	750	750
Depreciation	-	-	8,760	8,760	30,008
Advertising and marketing	20	-	-	20	524
Fund raising expenses	31,103	-	-	31,103	8,660
Consumables, IT and other expenses	4,963	-	-	4,963	5,984
Total resources expended	321,335	65,379	8,760	395,474	356,125
Net incoming resources for the year	663,619	7,606	(8,760)	662,465	160,646
Total Fund at start of the year	151,558	5,948	410,435	567,941	407,295
Transfers between funds	(1,170,567)	(10,000)	1,180,567	-	-
Total funds as at end of the year (note-5)	(355,390)	3,554	1,582,242	1,230,406	567,941

The statement of financial activities includes all gains and losses during the year.
Prior year figures are reclassified where relevant.

Islamic Education and Cultural Society Balance Sheet as at 31 March 2019		Note	2020 £	2019 £
Fixed Assets		2	1,582,241	410,435
Current Assets				
Bank and cash			111,959	158,829
Other receivables			1,200	-
			113,159	158,829
Less: Current Liabilities (due within one year)				
Trade creditors & accruals			1,793	1,322
Interest free loans		3	401,700	-
			403,493	1,322
Net Current Assets			(290,334)	157,507
Less: Long term liabilities (due within more than a year)				
Interest free loans		3	61,500	-
Net Assets			1,230,406	567,942
Accumulated Funds				
Unrestricted funds			(355,390)	151,558
Restricted Funds			3,554	5,948
Fixed asset funds			1,582,242	410,435
Total Funds		4	1,230,406	567,941

Mr Tahir Yusuf Awan
Trustee


Date: 26th Jan 2021

Islamic Education and Cultural Society
Notes to the Financial Statements
For the year ended 31 March 2020

1. ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared in accordance with the Charities Act 2011 and with the Financial Reporting Standard for Smaller Entities (FRSSE) effective 2015 adopted to meet the needs of unincorporated organisations, as modified by Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England and Wales, effective January 2015 (The SORP 2015), under the historical cost convention and accounting policies set out below.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

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

Lease improvements	10% straight line
Furniture, fixture & equipment	25% straight line

2. Fixed Assets

	Lease Improvements	Freehold Land & Building	Furniture, Fixture & Equipment	Total
Cost				
At 1 April 2019	98,134	406,067	124,606	628,806
Additions	-	1,155,242	25,325	1,180,567
At 31 March 2020	98,134	1,561,309	149,930	1,809,373
Depreciation				
At 1 April 2019	98,134	-	120,239	218,373
Charge for the year	-	-	8,760	8,760
At 31 March 2020	98,134	-	128,998	227,132
Net Book Value				
At 31 March 2020	-	1,561,309	20,932	1,582,241
At 31 March 2019	-	406,067	4,369	410,435

No depreciation has been charged on new freehold site recently acquired as the acquisition completed just before the balance sheet date.

Islamic Education and Cultural Society
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	2020 £	2019 £
3. Interest free loans		
Opening balance	-	-
Loans received during the year	483,200	-
Loans paid back during the year	(20,000)	-
Closing balance	463,200	-

£61,500 interest free loans are payable within more than a year, and interest free loans shown under current liabilities are £401,700 as of balance sheet date.

4. Analysis of Net Assets by Fund

	Unrestricted funds	Restricted funds	Fixed assets funds	Total
Fixed Assets	-	-	1,582,242	1,582,242
Current Assets	109,604	3,554	-	113,158
Current Liabilities	(403,493)	-	-	(403,493)
Long term liabilities	(61,500)	-	-	(61,500)
	(355,389)	3,554	1,582,242	1,230,406

5. Movement in funds	Opening balance	Income resources	Resources expended	Transfers	Closing balance
Unrestricted funds	151,558	984,954	(321,335)	(1,170,567)	(355,390)
Restricted Funds	5,948	72,985	(65,379)	(10,000)	3,554
Fixed assets	410,435	-	(8,760)	1,180,567	1,582,242
	567,941	1,057,939	(395,474)	-	1,230,406

6. No trustees have been given any remuneration or benefit and no personal expenses have been reimbursed to them.

7. Contingent Liability

During the current reporting year, a suspected fraud was identified. The issue is being investigated with all concerned parties. The suspected person, Mr K Shaikh (former Trustee) was removed from office by mutual consent of the rest of the Trustees. The investigations are still in progress at the time of signing of these accounts. The estimated amount of the fraud is assessed to be up to £3000/-

