

Charity registration number 287349

**THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Hilmi Sahin Osman Kocak Musa Karabay Mr Halil Dalkir Mr Ismail Sik
<b>Charity number</b>	287349
<b>Principal address</b>	212-216 Kingsland Road London UK E2 8AX
<b>Auditor</b>	Munir Tatar & Associates 32 Willoughby Road London N8 0JG
<b>Bankers</b>	Barclays Bank PLC 128 Moorgate London EC2M 6SX
<b>Solicitors</b>	R.W. Anderson & Co 18 Great Portland Street London W1W 8QR

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# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

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# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees present their annual report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, 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)" (as amended for accounting periods commencing from 1 January 2016)

### Objectives and activities

The charity's objectives are the religious advancement of Islam and education, the protection of health, the relief of poverty, sickness, distress and all related needs among the Muslim community throughout England and Wales. The policies adopted in furtherance of these objects are set out below and there has been no change in these during the year.

It aims to meet all religious and cultural needs of Muslims.

In order to achieve this the Centre runs mosques and also holds educational classes for Muslims. It organises conferences on social issues; food is provided for the elderly, needy and the charity's own students. It acts as an advice centre through the mosques and advises on marriage, nationality and social security matters.

The strategies for achieving our objectives is mainly through the provision of a place of worship for the multi-ethnic community of Muslims in London and in our other centres established in England and Wales; to propagate and expand the teachings and the message of Islam by employing Imams and teachers; to provide cultural and educational facilities and to provide social services.

Where properties owned by the Trust have unused rooms or spaces, these are often rented out to sister Trusts in return for a below-market rent. This ancillary income is shown as investments income in the SOFA.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. In their opinion the charity exists for the public benefit and complies with Charity Commission guidance thereon.

Grants to other charitable organisations are carefully considered by the Trustees and their decisions are duly minuted. It is a policy to distribute annually to those in need monies collected during the month of the Eid campaign. At other times grants are made to those charities associated with operating similar objectives from branch premises originally set up by the Trustees.

### Achievements and performance

The Trustees were satisfied with the charitable and fund-raising activities and achievements during the year. The Trustees intend to continue growing the community of Muslims that they support by encouraging further donations through their places of worship and community centres. The charity aims to increase the real estate footprint in the future, in order to serve a wider network.

### Financial review

The Trustees were satisfied with the level of donations received during the year, despite the impact of the Covid-19 pandemic which materially reduced the quantity donations, as a result of some places of worship being subject to government-enforced lockdowns. Donation income has also been affected by the effect of transferring the running of certain branches to independent charities, having similar objectives and functions. Nonetheless, donations remain satisfactory and the worship following remains strong.

The income was £314,820 (2020 - £628,785) and expenditure £303,882 (2020 - £452,405), resulting in a surplus of £10,938 (2020 - surplus of £176,380). Total funds stand at £45,622,541 (2020 - £45,611,602).

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider 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.

It is considered that 'designated' reserves, included in the total unrestricted general fund, represented by the level of the property values less bank loans, indicates that there is a genuine level of 'free' reserves available.

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. They are particularly aware of their responsibilities for the continuing implementation of child protection procedures and DBS checks.

We are encouraged by pledges of financial support and are confident that the donations in the coming year will be sufficient to permit the charity to carry out its present projects to completion. The Trustees are also grateful to the Marathon Science School in Greenwich, for their unquantified financial assistance in settling some of the utility bills at Head Office, in recognition of the boarding facilities given to boys attending their school.

No political contributions were made in the year to any political parties.

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

The charity was established by a constitution adopted on 6 February 1984 as amended 9 February 1984 and as amended 1 December 2001. The charity was first registered on 22 February 1984 with the Charity Commission for England and Wales.

The trustees who served during the year were:

Hilmi Sahin  
Osman Kocak  
Musa Karabay  
Mr Halil Dalkir  
Mr Ismail Sik

The Centre is managed by a Board which consists of five trustees. The appointment and removal of trustees is governed by the trust deed of the charity. The Board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of existing trustees. The trustees are only recruited by the trustees themselves at a meeting.

At the annual general meeting held on 19 December 2022 the following names all existing Trustees were re-elected and approved by the above Board of Trustees to be appointed to represent the Executive Committee: Ismail Uzun, Hakan Ozgul, Mehmet Demirkaya, Ceyhun Arican and Ahmet Ogretici, these being also recognised as trustees by the Charity Commission.

Regular meetings are held to discuss and manage the affairs of the Centre. A full time administrator manages the day to day aspects and organises fundraising initiatives.

The trustees are advised to update themselves on new laws. Leaflets are sent to them for training from time to time.

There are no specific restrictions imposed by the constitution concerning the way the charity can operate.

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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The Centre has no specific investment powers other than those contained in the constitution.

The trustees holding title to property belonging to the charity at the report approval date include:

Osman Kocak  
Hilmi Sahin  
Musa Karabay  
Ismail Dogan

#### Future Plans

The aim of the trust is to reach out to as many people as we can possibly serve. The future programmes would include more promotional activities to engage more with the public and open new branches where the trustees believe there is a need for the community where the public can benefit.


#### Restricted Funds

Restricted funds as at 31 March 2021 are nil (2020 - £nil)

#### Unrestricted Funds as restated

Unrestricted funds as at 31 March 2021 are £45,622,541 (2020 - £45,611,602)

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



Osman Kocak  
Trustee



Mr Ismail Sik  
Trustee

19 December 2022

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 MARCH 2021**

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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 UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

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#### Qualified opinion

We have audited the financial statements of The United Kingdom Turkish Islamic Cultural Centre (the 'charity') for the year ended 31 March 2021 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 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 qualified opinion

The carrying amount of the freehold buildings within the tangible fixed assets materially overstates the value at the balance sheet date. We discovered that one property (Marathon House, 1 Evelyn Street, SE8 5RQ) is owned by former trustees of the charity, who were no longer trustees during the accounting period. This indicates that the charity are not the registered owners of the property at the balance sheet date, which has a valuation as per the independent valuation report of £8,000,000. Given the materiality of this error, a material misstatement has been confirmed. Management were informed but did not want the carrying amount of the freehold buildings to be amended, and therefore this has resulted in a qualification of our audit 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 qualified opinion.

#### Key audit matters

In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Two material prior year adjustments were posted in this period relating to an accounting error around the measurement methodology applied to freehold buildings, whereby depreciation was incorrectly charged subsequent to the balance sheet date independent revaluation. This error was corrected in this period and no further material considerations around this matter have been identified, which require disclosure in the audit report.

#### 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.

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

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#### 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

As described in the Basis for qualified opinion section of our report, our audit opinion is qualified for overstatement of the fixed assets carrying amount in the financial statements. We have therefore concluded that the other information is materially misstated for the same reason.

#### Matters on which we are required to report by exception

Aside from the considerations mentioned in the basis for qualified opinion paragraph and key audit matters paragraph above, 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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; 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 statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

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#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with [Part 4 of the Charities (Accounts and Reports) Regulations 2008][, / and][Regulation 10 of the Charities Accounts (United Kingdom) Regulations 2006][and][Part 4 of the Charities Accounts and Reports Regulations (Northern Ireland) 2015]. Our audit work has been undertaken so that we might state to the charity's 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Munir Tatar & Associates**

19 December 2022

**Chartered Accountants  
Statutory Auditor**

32 Willoughby Road  
London  
N8 0JG

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



# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	243,314	546,936
Other trading activities	4	22,791	18,017
Investments	5	45,904	61,354
Other income	6	2,811	2,478
<b>Total income</b>		<b>314,820</b>	<b>628,785</b>
<b><u>Expenditure on:</u></b>			
Raising funds	7	251	19,398
Charitable activities	8	292,470	425,102
Other	14	11,161	7,905
<b>Total resources expended</b>		<b>303,882</b>	<b>452,405</b>
<b>Net incoming resources</b>		<b>10,938</b>	<b>176,380</b>
<b>Other recognised gains and losses</b>			
Revaluation of tangible fixed assets	16	-	39,495,433
<b>Net movement in funds</b>		<b>10,938</b>	<b>39,671,813</b>
Fund balances at 1 April 2020			
As originally reported		37,385,485	5,939,789
Prior year adjustment		4,113,059	-
As restated		41,498,544	5,939,789
<b>Fund balances at 31 March 2021</b>		<b>45,622,541</b>	<b>45,611,602</b>

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

All income and expenditure derive from continuing activities.

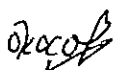
# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	17		45,715,833		45,716,926
<b>Current assets</b>					
Debtors	18	104,260		125,941	
Cash at bank and in hand		164,815		115,662	
		269,075		241,603	
<b>Creditors: amounts falling due within one year</b>	20	(91,345)		(106,808)	
Net current assets			177,730		134,795
<b>Total assets less current liabilities</b>			45,893,563		45,851,721
<b>Creditors: amounts falling due after more than one year</b>	21		(271,022)		(240,119)
<b>Net assets</b>			45,622,541		45,611,602
<b>Income funds</b>					
<u>Unrestricted funds</u>					
General unrestricted funds		45,622,541		6,116,169	
Revaluation reserve		-		39,495,433	
			45,622,541		45,611,602
			45,622,541		45,611,602

The financial statements were approved by the Trustees on 19 December 2022



Osman Kocak  
Trustee



Mr Ismail Sik  
Trustee

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(4,966)		103,730
<b>Investing activities</b>					
Purchase of tangible fixed assets		(22,690)		(53,200)	
Investment income received		45,904		61,354	
<b>Net cash generated from investing activities</b>			23,214		8,154
<b>Financing activities</b>					
Repayment of borrowings		-		(2,970)	
Repayment of bank loans		30,903		(49,517)	
<b>Net cash generated from/(used in) financing activities</b>			30,903		(52,487)
<b>Net increase in cash and cash equivalents</b>			49,151		59,397
Cash and cash equivalents at beginning of year			115,617		56,220
<b>Cash and cash equivalents at end of year</b>			164,770		115,617
<b>Relating to:</b>					
Cash at bank and in hand			164,815		115,662
Bank overdrafts included in creditors payable within one year			(45)		(45)

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

The United Kingdom Turkish Islamic Cultural Centre is a charity established in the United Kingdom, by a constitution adopted on 6 February 1984, as amended 9 February 1984 and as amended 1 December 2001. The charity was first registered on 22 February 1984 with the Charity Commission for England and Wales.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice 2019 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 2019). 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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 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.

This belief by the trustees takes into consideration the impact of the covid-19 pandemic on the charity's operations during the accounting period, which has continued after the reporting date. The strong balance sheet position and loyal network that the charity possesses are indicators of the ongoing going concern status.

No material uncertainty exists regarding the charity's ability to continue as a going concern,

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

#### 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.

#### 1.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to the category.



# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

Costs of charitable activities include those costs directly attributable to activities undertaken in pursuit of the charity's objects.

Other expenditure includes governance costs which include all costs relating to complying with legal and statutory requirements.

Management and administration expenses reflect central establishment costs and include the costs of managing charitable projects.

#### 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:

Freehold buildings	measured under the revaluation model
Library	10% reducing balance
Plant and machinery	10% reducing balance
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

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.

The freehold buildings owned by the charity are primarily held for facilitating the charity's activities, across the UK. The staff and recipients of the charity's services occupy the majority of the buildings. However in some buildings where there are unused rooms making up a minority holding of the property, management may rent them out to sister organisations on uncommercial, below market-rent terms. Given that this is an ancillary use of the buildings and the rent received is not reflective of commercial yields for the properties, whilst the charity are the main occupants at all times, the buildings are classed as freehold rather than investment properties.

#### 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.

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

(Continued)

### 1 Accounting policies

#### 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 recognised 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 recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **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 Taxation

As a registered charity it is generally exempt from income tax and capital gains tax on its charitable activities, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates. Income tax reclaimed on gift aided donations and qualifying small cash donations is included with donations and gifts, being accrued receivable and included in debtors at note 17.

#### 1.11 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.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.13 Revaluation of properties

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/ (expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

### 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 revaluation of the properties is considered to be a significant estimate. Management's methodology to determining and maintaining the valuation is highlighted under the relevant account policy.

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	123,147	546,936
Government grants	120,167	-
	<u>243,314</u>	<u>546,936</u>

#### Government grants

Government grants above of £120,167 (2020 - Nil) relates to £88,833 of Job Retention Scheme grants under the furlough scheme and £31,334 of business support grants from the local council, both issued by the government during the covid-19 pandemic, as a result of the disruption to businesses and organisations.

No unfulfilled conditions are attached to the grants and they are not to be repaid.

#### Donated goods and services

Donations relate to monetary income given primarily by worshippers of the charity's places of worship. The Trust relies heavily on these donations in order to reinvest back into their community. No conditions are attached to these donations.

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising events	22,791	18,017

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	45,904	61,308
Interest receivable	-	46
	45,904	61,354

### 6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	2,811	2,478

### 7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>	251	11,105
Advertising	-	8,293
Other fundraising costs		
	251	19,398
Fundraising and publicity	251	19,398

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Charitable activities

	Charitable Expenditure Heading 1 2021 £	Charitable Expenditure Heading 1 2020 £
Staff costs	142,946	152,310
Depreciation and impairment	18,014	13,953
Food and hospice aid	5,814	26,197
Rent rates and water	16,022	18,143
Repairs maintenance and renewals	6,596	17,388
Light heat and energy	30,158	42,676
Insurance	3,482	1,734
Cleaning and waste disposal	1,231	4,346
Printing postage and stationery	16,868	39,085
Telephonic communications	5,123	5,101
Motor running expenses	6,664	22,974
Travelling costs	1,286	18,590
Sundry expenses	5,490	454
Bank charges	488	1,824
Training expenses	1,260	1,425
Computer related costs	2,900	5,287
	<u>264,342</u>	<u>371,487</u>
Grant funding of activities (see note 9)	9,841	47,463
Share of governance costs (see note 10)	18,287	6,152
	<u>292,470</u>	<u>425,102</u>

### 9 Grants payable

	Charitable Expenditure Heading 1 2021 £	Charitable Expenditure Heading 1 2020 £
Grants to institutions:		
Great central donation BPP	150	-
Seven Hills Educational Trust	50	-
Suleymaniye Islamic Funeral Services	4,000	-
S Humanitarian Tru rhyt	1,090	-
RHYL education	680	-
Wood green faith community centre	3,871	-
Other	-	47,463
	<u>9,841</u>	<u>47,463</u>

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 9 Grants payable (Continued)

#### 10 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Audit fees	-	6,000	6,000	4,970
Accountancy	-	6,000	6,000	-
Legal and professional	-	6,287	6,287	1,182
	-	18,287	18,287	6,152
Analysed between Charitable activities	-	18,287	18,287	6,152

Governance costs includes payments to the auditors of £6,000 (2020- £4,970) for audit fees.

11 Net movement in funds	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	4,970
Depreciation of owned tangible fixed assets	18,014	13,953
Loss on disposal of tangible fixed assets	5,768	-

#### 12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

#### 13 Employees

The average monthly number of employees during the year was: 18

	2021 Number	2020 Number
Administration	4	4
Clergy and teachers	14	14
Total	18	18

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 13 Employees

(Continued)

#### Employment costs

	2021 £	2020 £
Wages and salaries	141,629	145,073
Social security costs	-	1,632
Other pension costs	1,317	5,605
	<u>142,946</u>	<u>152,310</u>

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

### 14 Other

	Unrestricted funds 2021	Unrestricted funds 2020
Net loss on disposal of tangible fixed assets	5,768	-
Financing costs	5,393	7,905
	<u>11,161</u>	<u>7,905</u>

### 15 Taxation

The charity's tax status is 'exempt' from corporation tax liability, by reason of its activities being outside the scope of tax and having no taxable income from trading. It does, however, submit a Corporation Tax Return and tax computations whenever requested to do so by H M Revenue and Customs.

### 16 Revaluation of fixed assets

	Total 2021 £	Unrestricted funds 2020 £
Revaluation of tangible fixed assets	-	(39,495,433)

**THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**17 Tangible fixed assets**

	Freehold buildings £	Library £	Plant and Motor vehicles machinery £	Total £
<b>Cost</b>				
At 1 April 2020	45,600,000	62,206	456,274	46,131,568
Additions	-	-	-	22,690
Disposals	-	-	-	(13,088)
Revaluation (prior year adjustment)	3,266,387	-	-	3,266,387
At 31 March 2021	48,866,387	62,206	456,274	49,407,557
<b>Depreciation and impairment</b>				
At 1 April 2020	4,113,059	54,147	351,734	4,527,703
Depreciation charged in the year	-	806	10,454	18,014
Eliminated in respect of disposals	-	-	-	(7,321)
Revaluation (prior year adjustment)	(846,672)	-	-	(846,672)
At 31 March 2021	3,266,387	54,953	362,188	3,691,724
<b>Carrying amount</b>				
At 31 March 2021	45,600,000	7,253	94,086	45,715,833
At 31 March 2020	45,600,000	8,059	104,541	45,716,926

Freehold buildings are the sole asset class revalued using the revaluation model. All other asset classes are valued using the cost model.

Freehold buildings are revalued subsequent to the balance sheet date, but are backdated to determine the fair value at the balance sheet date. Valuations are performed by independent, professional estate agents using industry-recognised methodologies. As the valuation is effective at the balance sheet date, no subsequent depreciation is posted within the accounting period. The independent valuation performed for this balance sheet date indicates that the freehold buildings remain at the same valuation as the previous balance sheet date. If the buildings were carried under the cost model then the carrying amount would be subject to 2% reducing balance depreciation, and therefore a lower value would be recognised.

Whilst some of the freehold buildings earn rental income, the Trustees do not consider the buildings to be investment properties as the rental of parts of the buildings is an ancillary service to the primary service of the charity. The buildings are primarily occupied by the charity's employees and any unused rooms, which encompass a minority footprint of the building, are rented out to sister organisations. As the primary use of the building is for the charity activities, the buildings are considered freehold buildings used for the trade, rather than for investment purposes.

The disposal of assets relates to two motor vehicles which were disposed in the period.

See note 26 for details of the prior year adjustments



# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 18 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	12,715	-
Other debtors	91,545	116,691
Prepayments and accrued income	-	9,250
	<u>104,260</u>	<u>125,941</u>

Other debtors £91,545 (2020 - £116,691) include an interest-free loan of £90,042 (2020 - £90,042) made to Seven Hills Educational Trust with no repayment date set, £Nil made to Manchester Sellimiye (2020 - £10,000) and £1,500 (2020 - £1,500 ) loaned to Anatolia Cultural Association. The remaining debtors £Nil (2020 - £15,150), comprise claims to HMRC for tax repayments on Gift Aid and the Small Donations Scheme.

### 19 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	45	45
Bank loans	321,489	290,586
	<u>321,534</u>	<u>290,631</u>
Payable within one year	50,512	50,512
Payable after one year	271,022	240,119
	<u></u>	<u></u>
Amounts included above which fall due after five years:		
Payable by instalments	(271,022)	(240,119)
	<u></u>	<u></u>

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

	Notes	2021 £	2020 £
Bank loans and overdrafts	19	50,512	50,512
Other taxation and social security		10,839	23,306
Trade creditors		23,000	12,000
Other creditors		6,994	2,015
Accruals and deferred income		-	18,975
		<u>91,345</u>	<u>106,808</u>

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 21 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	19	271,022	240,119

### 22 Analysis of net assets between funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fund balances at 31 March 2021 are represented by:		
Tangible assets	45,715,833	45,716,926
Current assets/(liabilities)	177,730	134,795
Long term liabilities	(271,022)	(240,119)
	<u>45,622,541</u>	<u>45,611,602</u>

### 23 Related party transactions

During the year the charity entered into the following transactions with related parties:

Amount of £17,490 (2020 - Nil) includes £6,000 donation and £11,000 donation received from the Suleymaniye Humanitarian Trust (SHT) and £490 (2020 - Nil) received as a donation from Enderun Community Association (ECA). As these Trusts are sister Trusts which have mutual Trustees with our charity, they are deemed to be a related party.

### 24 Cash generated from operations

	2021 £	2020 £
Surplus for the year	10,938	176,380
Adjustments for:		
Investment income recognised in statement of financial activities	(45,904)	(61,354)
Loss on disposal of tangible fixed assets	5,768	-
Depreciation and impairment of tangible fixed assets	18,014	13,953
Movements in working capital:		
Decrease/(increase) in debtors	21,681	(16,566)
(Decrease) in creditors	(15,463)	(8,683)
<b>Cash (absorbed by)/generated from operations</b>	<u>(4,966)</u>	<u>103,730</u>

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 25 Analysis of changes in net (debt)/funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	115,662	49,153	164,815
Bank overdrafts	(45)	-	(45)
	<u>115,617</u>	<u>49,153</u>	<u>164,770</u>
Loans falling due within one year	(50,467)	-	(50,467)
Loans falling due after more than one year	(240,119)	(30,903)	(271,022)
	<u>(174,969)</u>	<u>18,250</u>	<u>(156,719)</u>

### 26 Prior period adjustment

The material prior year adjustments relate to two postings pertinent to the 31 March 2020 year-end. Firstly the £846,672 depreciation charge has been reversed in the Statement of Financial Activities, given that the full year depreciation charge was incorrectly posted in the 31 March 2020 accounts, subsequent to the independent revaluation that took place on the balance sheet date. Secondly the uplift in the valuation of the freehold buildings has been increased by £3,266,387 to ensure the 31 March 2020 carrying amount of the freehold buildings aligns to the value as per the third-party valuations conducted at the balance sheet date, in line with the revaluation model.

### Changes to the balance sheet

	At 31 March 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Goodwill	-	-	-
Other intangibles	-	-	-
Tangible assets	-	-	-
Heritage assets	41,603,867	4,113,059	45,716,926
	-	-	-
Income funds	-	-	-
Restricted funds	-	-	-
Unrestricted funds	41,498,543	4,113,059	45,611,602
<b>Total equity</b>	<u>41,498,543</u>	<u>4,113,059</u>	<u>45,611,602</u>

# THE UNITED KINGDOM TURKISH ISLAMIC CULTURAL CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

26 Prior period adjustment (Continued)

Changes to the balance sheet

	At 31 March 2020		
	As previously reported	Adjustment	As restated
Changes to the profit and loss account			
	Period ended 31 March 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Charitable activities	1,271,774	(846,672)	425,102
Revaluation of fixed assets	36,229,046	3,266,387	39,495,433
Net movement in funds	35,558,754	4,113,059	39,671,813