

KARIMIA ASSOCIATION LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016

Registered Charity No. 1143245

Registered Company No. 07577060

M Ahmed & Co

Chartered Accountants

83 Park Road, Chilwell, Nottingham, NG9 4DE

KARIMIA ASSOCIATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Management Team and Trustees

Tariq M Nasir	Chairman, Director and Company Secretary
Dr M Hussain	Chief Executive
Saema Mohammad	Trustee
Mohammad Ashraf	Trustee
F R Khan	Trustee & Director
Muhammad Iqbal	Trustee
C A Wahid	Trustee & Director
Mohammed Suleman	Trustee
Zia Khan	Trustee
Mohammed Younas	Trustee

Registered Charity Number 1143245

Registered Company Number 07577060

Registered office

512-514 Berridge Road West, Nottingham, NG7 5JU

Accountant & Independent Examiners

M Ahmed & Co., Chartered Accountants, 83 Park Road, Chilwell, Nottingham. NG9 4DE

Bankers

Lloyds Bank plc., Old Market Square, Nottingham

KARIMIA ASSOCIATION LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

The directors are pleased to present their report together with the financial statements of the charity company for the period ended 31 March 2016.

Principle activities and governance

The Karimia Association Limited is a charitable company set up to:

1. advance the teaching of Islam and the observances that serve to promote and manifest it;
2. advance the education of young people under the age of 18 in particular Muslims by the establishment and maintenance of a school; and
3. provide facilities for the recreation and other leisure time pursuits of persons who have need of such facilities by reason of their youth, age, infirmity, disablement, poverty or social or economic circumstances in the interest of social welfare with the object of improving their condition of life.

It is a registered charity, number 1143245, and company limited by guarantee, registration no. 07577060,. It is governed by the Memorandum and Articles of Association. The management of the company is vested in a Management Committee consisting of a Chairman, Secretary and Treasurer.

Applications for trusteeship and membership of the Management Committee are sought by personal solicitation. A panel comprising existing trustees and members of the Management Committee are involved in the selection process. The Management Committee meets at least four times and deals with all operational and development matters. All Trustees must be Muslims.

There have been no changes in the objects and policies during the year.

Corporate status

The Charity was set up to take over the activities of the charity, The Karimia Institute, under a corporate, charity structure. The new company, Karimia Association Limited, registration no. 07577060, was incorporated on 24 March 2011 and all activities from 1 April 2011 have been conducted through Karimia Association Limited. The company is limited by guarantee. The assets and liabilities of The Karimia Institute at 31 March 2011 were transferred into the new Company.

Review of activities and future developments

The Statement of Financial Activities for the year is set out on page 5 of the financial statements. A summary of the financial results and the work of the charity is set out below.

Review of developments

The charity operates mosques, Quran schools and a community centre at its principal premises in Hyson Green, Nottingham. This has continued to flourish.

Radio Dawn continues to provide religious, cultural and regional programmes for members of the Institute, community centre and people of Nottingham.

The Charity is totally dependent on funding from members and government authorities and securing this funding, to meet the operating and development costs remains the key challenge for the management committee over the short term.

KARIMIA ASSOCIATION LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2016continued.

Financial Review

During the year, £413,908 was donated by the local community and visitors. This amount was augmented by £49,920 of Gift Aid tax refunds, £151,059 from voluntary tuition fees, £12,089 from hire of facilities and £216,710 of grants from Nottingham City Council and other organisations. Overall income was £64,172 (8%) higher than 2015. This was due to increases in donations from the local community to support the construction of a mezzanine floor to create extra capacity for praying, tuition and community use at the Bobbersmill Community Centre and Gift Aid income. There were reductions in grants and tuition fees due to a hardening of economic conditions. Expenditure of £745,819 was £64,172 higher than 2015 due to increases in salaries. Costs in other areas were well controlled. This resulted in a surplus of £97,868, £82,846 of which was used for capital development of the Bobbersmill Community Centre mentioned above. The Association continues to be well supported by the local authority and organisations with donations exceeding 2015 levels in spite of continued pressure on local authorities and other funding bodies. The charity thanks all its members and supporters for their work and generosity.

The Trustees would like to take this opportunity of thanking all members of staff for their hard work and selfless service to the local community.

Statement of Directors' responsibilities

Company and charity law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity company and of the surplus or deficit of the charity company for that period. In preparing those financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The directors have overall responsibility for ensuring that the charity company has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 1999. They are also responsible for safeguarding the assets of the charity company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity company is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable;
- the charity company complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Blessings

Tariq Nasir (Chairman/Director)
5 October 2016

KARIMIA ASSOCIATION LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KARIMIA ASSOCIATION LIMITED

I report on the financial statements of the company for the period ended 31 March 2016, which are set out on pages 5 to 9.

Respective responsibilities of directors and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my 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 my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity 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 I do not express an audit opinion on the review given in the financial statements.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met.

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M Ahmed & Co
Chartered Accountants
83 Park Road, Chilwell, Nottingham, NG9 4DE
5 October 2016

KARIMIA ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 31 MARCH 2016

	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Incoming Resources				
Donations: Grants from Councils and other organisations	216,710	0	216,710	236,138
General	413,908	0	413,908	344,084
Gift Aid Tax Refund	49,920	0	49,920	16,678
Sports hall and room hire	12,089	0	12,089	11,283
Fees	151,059	0	151,059	171,365
Other income	0	0	0	1,080
Total Incoming Resources	843,687	0	843,687	780,628
Resources Expended				
Fundraising and Publicity	0	0	0	0
Direct charitable expenditure:				
Salaries	555,781	0	555,781	474,451
Professional & consultancy fees	4,951	0	4,951	2,085
Training & Development	689	0	689	1,160
Rent & Rates	29,994	0	29,994	24,873
Other Premises costs	8,230	0	8,230	11,152
Repairs & Maintenance	23,958	0	23,958	39,355
Gas & electricity	16,100	0	16,100	13,365
Telephone	4,367	0	4,367	4,166
Stationery	17,050	0	17,050	10,433
Dawah Work & donations made	8,372	0	8,372	40,514
Miscellaneous expenses	12,391	0	12,391	12,890
Sports & other small equipment	8,221	0	8,221	5,570
Events catering	10,242	0	10,242	3,475
Travel and volunteer expenses	13,513	0	13,513	7,275
Bank charges & interest	2,280	0	2,280	3,400
Invitation Magazine, books & publications	19,275	0	19,275	21,015
Depreciation	6,607	3,797	10,404	6,468
Total Resources Expended	742,022	3,797	745,819	681,647
Net Incoming / (Outgoing) Resources before revaluations and investment asset disposals	101,665	(3,797)	97,868	98,981
Other Recognised Gains and Losses	0	0	0	0
NET MOVEMENT IN FUNDS	101,665	(3,797)	97,868	98,981

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 7 & 9 form part of these accounts.

KARIMIA ASSOCIATION LIMITED

BALANCE SHEET AT 31 MARCH 2016

	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
Fixed Assets	5	1,163,322	1,090,879
Current Assets			
Debtors & prepayments	6	48,974	32,974
Cash & bank	7	62,034	72,362
		<u>111,008</u>	<u>105,336</u>
Creditors:			
Amounts falling due within one year	8	(30,697)	(32,653)
Net current liabilities / assets		<u>80,312</u>	<u>72,683</u>
Creditors:			
Amounts falling due in more than one year	9	(87,979)	(105,776)
NET ASSETS		<u><u>1,155,654</u></u>	<u><u>1,057,786</u></u>
 <u>Represented by</u>			
Unrestricted funds	10	1,085,024	983,359
Restricted funds	10	70,630	74,428
Total funds		<u><u>1,155,654</u></u>	<u><u>1,057,786</u></u>

Approved by the Board of Trustees and signed on their behalf by

Dr M Hussain (CEO)
5 October 2016

The notes on pages 6 & 8 form part of these accounts.

KARIMIA ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

1. Accounting policies

The following policies have been applied consistently in preparing the accounts of the charity company.

Basis of preparation

The accounts have been prepared on the historic cost convention with the exception that some land and buildings have not been depreciated. The accounts are in accordance with applicable accounting standards, the Charities SORP 2005 (Accounting and Reporting by Charities) and comply with the Charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 1993.

Depreciation

Depreciation is provided so as to write-off of the cost of the asset over its useful life to the charity at the following rates:

Fixtures & Equipment	25% reducing balance
Motor vehicles	25% reducing balance
Buildings	2%-5% reducing balance

Incoming resources

Monetary donations are recognised on a receipts basis. Gifts, which take the form of assets for use by the charity or for distribution are recognised as incoming resources when received. Other intangible benefits, for instance use of assets, e.g. motor car including petrol, provided my members and voluntary help are not included in the Statement of Financial Activities. Gift aid reclaimable on donations to the charity is included with the amount received.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Netting off

There is no netting off of income and expenditure within the Statement of Financial Activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

2. Taxation

Karimia Association Limited is a registered charity and all income is used for charitable purposes. Accordingly it is exempt from taxation on its income.

KARIMIA ASSOCIATION LIMITED

3. Emoluments of employees

	2016	2015
	<u>£</u>	<u>£</u>
Salaries, benefits and associated costs	<u>(555,781)</u>	<u>(474,451)</u>
Number of employees:		
Full Time	18	18
Part Time	17	15
Volunteers	<u>26</u>	<u>20</u>

All staff were employed in activities in furtherance of the charitable objects. No employee earned in excess of £50,000. No pension contributions were made.

4. Directors' and trustees' remuneration

The directors neither received nor waived any emoluments during the year.

All out of pocket expenses incurred by the directors and trustees were met by them without any reimbursement by the charity. They have not been recognised in the financial statements.

5. Tangible Fixed Assets

	Freehold Land Buildings Road	Furniture & equipment	Total assets
	<u>£</u>	<u>£</u>	<u>£</u>
<u>COST</u>			
At 1 April	1,114,057	59,326	1,173,383
Additions / disposals	82,846	-	82,846
At 31 March	<u>1,196,903</u>	<u>59,326</u>	<u>1,256,229</u>

DEPRECIATION

At 1 April	29,544	52,960	82,504
Additions / disposals	0	-	0
Charge for year	8,756	1,647	10,403
At 31 March	<u>38,300</u>	<u>54,607</u>	<u>92,907</u>

NBV

At 31 March	<u>1,158,603</u>	<u>4,719</u>	<u>1,163,322</u>
At 1 April	<u>1,084,513</u>	<u>6,366</u>	<u>1,090,879</u>

Land and building comprise:

	<u>Cost</u>	<u>Dep'n B'fwd</u>	<u>Dep'n Charge</u>	<u>NBV</u>
141-143 Berridge Road	85,000	0		85,000
30 Bentick Road	441,278	0		441,278
Bobbersmill Community Centre	393,415	17,605	4,959	370,851
139 Ewart Road	75,486	0		75,486
Wollaton Mosque (restricted)	201,724	11,863	3,797	186,064
	<u>1,196,903</u>	<u>29,468</u>	<u>8,756</u>	<u>1,158,679</u>

All land and building are stated at cost. Some buildings have not been depreciated.

KARIMIA ASSOCIATION LIMITED

6. Debtors

	2016	2015
	<u>£</u>	<u>£</u>
Other debtors and prepayments	<u>48,974</u>	<u>32,974</u>

7. Cash balances

	2016	2015
	<u>£</u>	<u>£</u>
Unrestricted balances	<u>62,035</u>	<u>69,462</u>
	<u>62,035</u>	<u>69,462</u>

8. Creditors: amounts due in less than one year

	2016	2015
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	16,497	16,497
Other creditors and accruals	<u>14,200</u>	<u>16,156</u>
	<u>30,697</u>	<u>32,653</u>

9. Creditors: amounts due in more than one year

	2016	2015
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	<u>87,979</u>	<u>105,776</u>
	<u>87,979</u>	<u>105,776</u>

10. Analysis of Funds

	Restricted	Unrestricted	Total
	<u>£</u>	<u>£</u>	<u>£</u>
Balances at 1 April	74,428	983,359	1,057,786
Movements in year:			
General donations	(3,797)	101,665	97,868
Balances at 31 March	<u>70,630</u>	<u>1,085,024</u>	<u>1,155,654</u>