

COMPANY REGISTRATION NUMBER: 03142456
CHARITY REGISTRATION NUMBER: 1058998

Islamic Centre of England Ltd
Company Limited by Guarantee
Financial Statements
31 December 2016

BHALLOO CONSULTING LIMITED
Chartered Accountants & Statutory Auditors
Chancery House, Second Floor
St. Nicholas Way
Sutton
Surrey
SM1 1JB

Islamic Centre of England Ltd
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2016

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	6
Statement of financial activities (including income and expenditure account)	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11

Islamic Centre of England Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2016

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2016.

Reference and administrative details

Registered charity name	Islamic Centre of England Ltd
Charity registration number	1058998
Company registration number	03142456
Principal office and registered office	Chancery House, Second Floor St. Nicholas Way Sutton Surrey SM1 1JB

The trustees

H Haji Faraji	Resigned 11 September 2017
Z B Tharoo	
M A Shomali	
A A Heshmati Rafsanjani	Appointed 11 September 2017

Company secretary	Z B Tharoo
--------------------------	------------

Auditor	Bhalloo Consulting Limited Chartered Accountants & Statutory Auditors Chancery House, Second Floor St. Nicholas Way Sutton Surrey SM1 1JB
----------------	---

Islamic Centre of England Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2016

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The trustees may appoint a person who is willing to act as a trustee. At all times one of the trustees shall be a representative of the Supreme Spiritual Leadership of the Islamic Republic of Iran.

Induction and training of new trustees

New trustees receive an induction early on in their tenure, thus ensuring their full understanding of the organisation, its operations, its staff and its ethos and values. The induction process sets out briefs to new trustees, what is expected of trustees by the charity, the law and the Charity Commission. New trustees also receive regular updates and briefings on the above matters from senior trustees.

Organisational structure

The trustees of Islamic Centre of England Ltd are members of the council of management. The directors of Islamic Centre of England Ltd are the Trust's officers.

The trustees are responsible for the overall management and control of the Trust and meet regularly to manage its affairs. Staff resources are divided into religious and clerics, education and promotion of Islam, fundraising, finance and administration.

Related parties

The charity does not hold assets on behalf of another charity. The related parties are the directors who are also trustees.

Reserves policy

Accumulated funds comprise the accumulated surplus or deficit on the statement of financial activities which are available for use at the discretion of the trustees of Islamic Centre in furtherance of the objectives of the charity. The trustees consider that the level of reserves as at 31 December 2016 of £4,362,920 is well in line with the ideal level of £3,250,000 that they deem appropriate for the charity.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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

The trustees have identified that the main risk for the charity is that of financial sustainability. The trustees regularly review the availability of liquid funds, along with actively managing the charity's working capital to ensure this risk is minimised.

Non-financial risks arising from the welfare activities and religious activities the charity engages in have also been considered. These consist of health and safety risks, food hygiene risks, and fire risks that are related to the performance of the charity's activities.

These risks are managed by ensuring health and safety, fire, and food hygiene laws and regulations are followed, along with regular training for staff working in all of these operational areas.

Islamic Centre of England Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2016

Objectives and activities

Objectives and aims

The company is a registered charity with the object of advancing the religion of Islam and education, and the provision of social and religious welfare activities. In planning the charity's activities and working towards achieving the charity's objectives, the trustees have considered the Charity Commission's guidance on public benefit.

Significant activities

The charity has one fund; an unrestricted fund. The unrestricted fund is used to manage day-to-day unrestricted costs, and for the purposes of meeting the objectives of Islamic Centre of England Ltd. During the year, the fund was utilised for the following activities:

- **Propagation of Islam**

This was the main activity of the charity and it was carried out by the publication of brochures, pamphlets and the production of films and video for free distribution to the public. The Centre also arranged weekly religious programs in English and other languages. Madrasa classes were also held to teach Quran to students.

- **Educational support**

During the year, education grants were made to various Islamic centres and schools throughout the UK, namely in Glasgow, Cardiff, Birmingham, Manchester, Newcastle and Leeds. The charity also granted scholarships to a number of individuals.

- **Social, religious and welfare activities**

During the year, the charity organised various activities in celebration of Ramadan, Eid, Hajj and other Islamic festivals for members and new converts who have no affiliation with other Islamic communities. Counselling sessions were also available for those with marriage and family predicaments.

- **Other activities**

Other activities were organised and held by the charity during the year including sports tournaments, Quran reading competitions, Hajj support and medical assistance.

Future developments

The charity will continue to focus on promoting the religion of Islam and education, and the provision of social and religious facilities. The charity continues with the efforts to modernise the mosque, and to carry out repairs and maintenance to the building.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The charity continues to provide services of a mosque to promote the muslim faith to all age groups and to provide services to learn the teachings of the Quran.

The charity continues to offer teachings to promote the muslim way of life and continues to provide the services of a bookshop to the community by selling books and videos on all aspects of Islam.

Furtherance in relation to the charity's objectives during the year includes expansion of services via internet television transmission to the community covering services such as Azaan, discussion topics and other topical issues.

The charity also successfully provided language courses which include Urdu, English, Persian and Arabic.

Financial review

The Statement of Financial Activities shows how the charity's funds have been applied during the year. The gross receipts of the organisation were £906,826 (2015- £1,532,660) of which £121,897 (2015- £58,887) was raised internally from the sale of books and cassettes, the hire of the conference hall, and fees charged in connection with the conduct of marriages and other religious activities.

Donations directly related to the principal activities amounted to £784,903 (2015- £683,709)

At 31 December 2016, the balance on the only fund, the unrestricted fund, was £4,362,920. As the charity's income is dependent upon the goodwill of fellow worshippers, the managing trustees are of the opinion that the level of direct activities should be proportionate to such income.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, 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).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 25 October 2017 and signed on behalf of the board of trustees by:



Z B Tharoo
Trustee

Islamic Centre of England Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Islamic Centre of England Ltd

Year ended 31 December 2016

We have audited the financial statements of Islamic Centre of England Ltd for the year ended 31 December 2016 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Islamic Centre of England Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Islamic Centre of England Ltd (continued)

Year ended 31 December 2016

Opinion on other matter prescribed by the Companies Act 2006


In our opinion, based on the work undertaken in the course of the audit, the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and

In light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.



S Bremakumar (Senior Statutory Auditor)

For and on behalf of
Bhalloo Consulting Limited
Chartered Accountants & Statutory Auditors
Chancery House, Second Floor
St. Nicholas Way
Sutton
Surrey
SM1 1JB

26 October 2017

Islamic Centre of England Ltd

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

31 December 2016

		Unrestricted funds	2016 Restricted funds	Total funds	2015 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	784,903	—	784,903	683,709
Other trading activities	6	121,897	—	121,897	58,887
Investment income	7	26	—	26	264
Other income	8	—	—	—	789,800
Total income		<u>906,826</u>	<u>—</u>	<u>906,826</u>	<u>1,532,660</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	9	534,594	—	534,594	472,563
Expenditure on charitable activities	10,11	353,714	—	353,714	186,452
Total expenditure		<u>888,308</u>	<u>—</u>	<u>888,308</u>	<u>659,015</u>
Net income and net movement in funds		<u>18,518</u>	<u>—</u>	<u>18,518</u>	<u>873,645</u>
Reconciliation of funds					
Total funds brought forward		4,344,402	—	4,344,402	3,470,757
Total funds carried forward		<u>4,362,920</u>	<u>—</u>	<u>4,362,920</u>	<u>4,344,402</u>

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

The notes on pages 11 to 20 form part of these financial statements.

Islamic Centre of England Ltd
Company Limited by Guarantee
Statement of Financial Position
31 December 2016

		2016 £	2015 £
Fixed assets			
Tangible fixed assets	16	4,152,560	4,256,470
Current assets			
Cash at bank and in hand		219,850	105,601
Creditors: amounts falling due within one year	17	9,490	17,669
Net current assets		210,360	87,932
Total assets less current liabilities		4,362,920	4,344,402
Net assets		4,362,920	4,344,402

		2016 £	2015 - as restated £
Funds of the charity			
Unrestricted funds		4,362,920	4,344,402
Total charity funds	19	4,362,920	4,344,402

These financial statements were approved by the board of trustees and authorised for issue on 25 October 2017, and are signed on behalf of the board by:



Z B Tharoo
Trustee

Islamic Centre of England Ltd

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2016

	2016	2015
	£	£
Cash flows from operating activities		
Net income	18,518	873,645
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	103,910	26,141
Other interest receivable and similar income	(26)	(264)
Gains on disposal of tangible fixed assets	—	(789,800)
Interest payable and similar charges	2,772	2,408
<i>Changes in:</i>		
Trade and other creditors	97,422	1,797
Cash generated from operations	222,596	113,927
Interest paid	(2,772)	(2,408)
Interest received	26	264
Net cash from operating activities	219,850	111,783
Net increase in cash and cash equivalents	114,249	15,368
Cash and cash equivalents at beginning of year	105,601	90,233
Cash and cash equivalents at end of year	219,850	105,601

Cash and cash equivalents are comprised of cash at bank and in hand.

The notes on pages 11 to 20 form part of these financial statements.

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Chancery House, Second Floor, St. Nicholas Way, Sutton, Surrey, SM1 1JB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Going concern

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 23.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

3. Accounting policies *(continued)*

Fund accounting

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

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

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

Incoming resources

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

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

3. Accounting policies *(continued)*

Resources expended

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

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

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

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Freehold property	-	2% straight-line (50-year useful life)
Plant and machinery	-	15% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance

3. Accounting policies *(continued)*

Impairment of fixed assets

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

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

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

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Islamic Centre of England Ltd

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2016

3. Accounting policies (continued)

Defined contribution plans (continued)

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The Islamic Centre of England Limited is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds- as restated £	Total Funds 2015 £
Donations				
Donations and sales	784,903	784,903	683,709	683,709

6. Other trading activities

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds- as restated £	Total Funds 2015 £
Sales of books	30,247	30,247	2,648	2,648
Receipt from conduct of marriages and divorces	10,995	10,995	13,565	13,565
Other income	80,655	80,655	42,674	42,674
	<u>121,897</u>	<u>121,897</u>	<u>58,887</u>	<u>58,887</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds- as restated £	Total Funds 2015 £
Bank interest receivable	26	26	264	264

8. Other income

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds- as restated £	Total Funds 2015 £
Gain on disposal of tangible fixed assets held for charity's own use	—	—	789,800	789,800

Islamic Centre of England Ltd

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2016

9. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds- as restated £	Total Funds 2015 £
Wages and salaries	323,199	323,199	316,336	316,336
Employer's NIC	18,347	18,347	16,558	16,558
Pension costs	934	934	—	—
Other leases	2,617	2,617	—	—
Rates & water	1,612	1,612	—	—
Light & heat	34,900	34,900	34,007	34,007
Repairs & maintenance	12,775	12,775	4,611	4,611
Insurance	11,597	11,597	6,688	6,688
Motor/travel costs	34,908	34,908	20,954	20,954
Telephone & internet	13,540	13,540	16,601	16,601
Cleaning	5,635	5,635	5,909	5,909
Foreign exchange gain/loss	(3,290)	(3,290)	—	—
Advertising	690	690	3,429	3,429
Publication	61,257	61,257	26,311	26,311
Other finance costs	2,772	2,772	2,408	2,408
Books and journals	72	72	3,775	3,775
Printing, postage & stationary	13,029	13,029	14,976	14,976
	<u>534,594</u>	<u>534,594</u>	<u>472,563</u>	<u>472,563</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds- as restated £	Total Funds 2015 £
Donation to other	130,224	130,224	100,840	100,840
Religious activities	33,419	33,419	12,798	12,798
Welfare activities	27,771	60,099	25,881	25,881
Accommodation	4,514	4,514	—	—
Other direct activities	107,404	107,404	31,686	31,686
Support costs	50,382	18,054	15,247	15,247
	<u>353,714</u>	<u>353,714</u>	<u>186,452</u>	<u>186,452</u>

Islamic Centre of England Ltd**Company Limited by Guarantee****Notes to the Financial Statements (continued)****Year ended 31 December 2016****11. Expenditure on charitable activities by activity type**

	Activities undertaken directly £	Support costs £	Total funds 2016 £	Total fund 2015 £
Donation to other	130,224	–	130,224	100,840
Religious activities	33,419	–	33,419	12,798
Welfare activities	60,099	–	60,099	25,881
Accommodation	4,514	–	4,514	–
Other direct activities	107,404	–	107,404	31,686
Governance costs	–	18,054	18,054	15,247
	<u>335,660</u>	<u>18,054</u>	<u>353,714</u>	<u>186,452</u>

Governance costs consist of costs associated with the legal and regulatory running costs of the charity. They are made up of the following:

	2016 £	2015 £
Audit fees	6,000	10,423
Legal & other professional fees	6,965	3,576
Other office costs	3,892	–
Sundries	1,197	1,248
	<u>18,054</u>	<u>15,247</u>

12. Net income

Net income is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	103,910	26,141
Gains on disposal of tangible fixed assets	–	(789,800)
Operating lease rentals	2,617	–
Foreign exchange differences	(3,290)	–

13. Auditors remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>10,423</u>

14. Staff costs

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

	2016 £	2015 £
Wages and salaries	323,199	316,336
Social security costs	18,347	16,558
Employer contributions to pension plans	934	—
	<u>342,480</u>	<u>332,894</u>

The average head count of employees during the year was 26 (2015: 24). The average number of full-time equivalent employees during the year is analysed as follows:

	2016 No.	2015 No.
Management	3	3
Administration	23	21
	<u>26</u>	<u>24</u>

No employee received employee benefits of more than £60,000 during the year (2015: Nil).

15. Trustee remuneration and expenses

Two of the three trustees were paid remuneration from employment with the charity. H Faraji and M Shomali were remunerated for their work at the charity. The legal authority under which the payments were made was the governing document of the charity. No trustees' expenses were paid for during the year.

The amount of total trustees' remuneration for the year was £43,500. The amount of pension contributions paid on behalf of trustees was £72.

16. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2016 and 31 December 2016	<u>4,135,511</u>	<u>19,567</u>	<u>493,999</u>	<u>107,380</u>	<u>4,756,457</u>
Depreciation					
At 1 January 2016	—	14,329	408,839	76,819	499,987
Charge for the year	<u>82,710</u>	<u>786</u>	<u>12,774</u>	<u>7,640</u>	<u>103,910</u>
At 31 December 2016	<u>82,710</u>	<u>15,115</u>	<u>421,613</u>	<u>84,459</u>	<u>603,897</u>
Carrying amount					
At 31 December 2016	<u>4,052,801</u>	<u>4,452</u>	<u>72,386</u>	<u>22,921</u>	<u>4,152,560</u>
At 31 December 2015	<u>4,135,511</u>	<u>5,238</u>	<u>85,160</u>	<u>30,561</u>	<u>4,256,470</u>

Islamic Centre of England Ltd

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2016

17. Creditors: amounts falling due within one year

	2016	2015
	£	£
Accruals and deferred income	–	7,098
Social security and other taxes	5,626	4,851
Other creditors	3,864	5,720
	<u>9,490</u>	<u>17,669</u>

18. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £934 (2015: £Nil).

19. Analysis of charitable funds

Unrestricted funds

	At 1 January	Income	Expenditure	At 31
	2016			December
	£	£	£	2016
General funds	<u>4,344,402</u>	<u>906,826</u>	<u>(888,308)</u>	<u>4,362,920</u>

20. Nature of funds

The charity has one fund; an unrestricted fund. It is used to manage day-to-day unrestricted costs. It is also used for the purposes of meeting the objectives of the charity. This includes being used for the following activities; propagation of Islam, educational support, and finally for social, religious and welfare activities.

21. Restatement of comparatives

Comparatives have been restated to show all funds as unrestricted as last year there was an error in classification.

Islamic Centre of England Ltd

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2016

22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016	2015
	£	£
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>9,490</u>	<u>17,669</u>

23. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.