

Charity Registration No 1058998

Company Registration No. 03142456 (England and Wales)

**ISLAMIC CENTRE OF ENGLAND LTD**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

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# ISLAMIC CENTRE OF ENGLAND LTD

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	S Ranani T Masoud M Abdoulhossein
<b>Secretary</b>	T Masoud
<b>Charity number</b>	1058998
<b>Company number</b>	03142456
<b>Principal address</b>	140 Maida Vale London W9 1QB
<b>Registered office</b>	140 Maida Vale London W9 1QB
<b>Auditors</b>	Bhalloo & Company Limited 50 Throwley Way Sutton Surrey SM1 4BF
<b>Bankers</b>	Melli Bank Plc 4 Moorgate London EC2R 6AL  National Westminster Bank Plc 160 Cricklewood Broadway London NW2 3ED  Habibsons Bank Limited 55-56 St James Street London SW1A 1LA
<b>Solicitors</b>	Kidd Rapinet 14-15 Craven Street London WC2N 5AD

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# ISLAMIC CENTRE OF ENGLAND LTD

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# **ISLAMIC CENTRE OF ENGLAND LTD**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2005**

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The trustees present their report and audited accounts for the year ended 31 December 2005

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

##### **Constitution**

Islamic Centre is constituted as a company limited by guarantee (No 03142456) and Registered Charity (No 1058998). It was incorporated under the Companies Act 1985 on 29 December 1995 and registered with the Charity Commission on 04 November 1996. As an organisation we are governed by our Memorandum and Articles of Association. In the event of winding up, members are required to contribute (not exceeding £10) to the company's assets.

The trustees, who are also the directors for the purpose of company law, who served during the year were  
S Ranani

M Shokrizadeh

(Resigned 31 January 2007)

H Hadji Haidar

(Resigned 31 July 2006)

##### **Method of appointment and training of new trustees**

The trustees may appoint a person who is willing to act to be a trustee, at all times one of the trustees shall be a representative of the Supreme Spiritual Leadership of the Islamic Republic of Iran. New trustees receive an induction early on in their tenure, thus ensuring their fully understanding the organisation, its operations, its staff and its ethos and values. The induction process set 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.

The trustees of Islamic Centre of England Ltd are members of the council of management. The directors of Islamic Centre of England Ltd for the purposes of the Companies Act 1985 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.

##### **Investment Powers**

Trustees have powers under the charity's Memorandum and Articles of Association to invest in the name of charity.

##### **Related parties**

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

##### **Risk management**

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 managing trustees have also assessed the risks of not meeting payments to suppliers and the use of restricted funds for other purposes and are satisfied that systems are in place to mitigate our exposure to such risks.

# **ISLAMIC CENTRE OF ENGLAND LTD**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2005**

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### **Objectives and activities**

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 facilities

The charity has only one reserve, the General Fund that can only be used for the purposes of meeting the objectives of Islamic Centre of England Ltd. During the year, the fund was utilised for the following activities,

#### **a) Propagation of Islam**

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

#### **b) Educational support**

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

#### **c) 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 other affiliation with other Islamic community. Counselling sessions were also available for those with marriage and family predicaments.

#### **d) Other activities**

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

### **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 Koran.

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

Furtherance in relation to the charities objects during the year includes expansion of services via internet radio transmission to community covering services such as Azaan, discussion topics and other topical issues.

The charity also successfully provided language courses this includes Urdu, English, Persian and Arabic to 300 people.

# ISLAMIC CENTRE OF ENGLAND LTD

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2005**

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### Reserve 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 objects of the charity

### Financial Review

The accounts has been prepared in accordance with the Statement of Recommended Practice for charities

The Statement of Financial Activities shows how the Trust's fund have been applied during the year The gross receipts of the organization was £1,398,740 (2004 - £1,939,607) of which £59,225 (2004 - £73,732) was raised internally from the sale of books and cassettes, from 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 principle activities amounted to £1,339,515 (2004 - £1,768,687)

At 31st December 2005, the balance on the restricted fund was £2,751,598 of which £424,778 could be realised immediately This amount is sufficient to cover eighteen months operational costs 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

### Plans for the future

The charity will continue to focus on promoting the religion of Islam and education, and the provision of social and religious facilities

The charity has plans to launch internet television based services to community

The charity continues with the efforts to modernise the mosque and to carry out repairs and maintenance to the building

### Disclosure of information to auditors


Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information

### Auditors

The auditors, Bhalloo & Company Limited, are willing to be reappointed in accordance with section 385 of the Companies Act 1985

This report had been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985

On behalf of the board of trustees

  
Director  
Dated 17/10/07

# **ISLAMIC CENTRE OF ENGLAND LTD**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the year

In preparing these accounts, the trustees are required to

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. 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

# **ISLAMIC CENTRE OF ENGLAND LTD**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ISLAMIC CENTRE OF ENGLAND LTD**

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We have audited the financial statements of Islamic Centre of England LTD for the year ended 31 December 2005 set out on pages 7 to 15. These financial statements have been prepared under the accounting policies set out on page 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As described on page 4, the trustees, who are also the directors of Islamic Centre of England LTD for the purpose 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). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



# ISLAMIC CENTRE OF ENGLAND LTD

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF ISLAMIC CENTRE OF ENGLAND LTD

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#### Opinion

In our opinion

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 December 2005 and of its incoming resources and application of resources in the year then ended, and
- the accounts have been properly prepared in accordance with the Companies Act 1985
- the information given in the Trustees' Report is consistent with the accounts



**Bhalloo & Company Limited**

Chartered Accountants

Registered Auditor

50 Throwley Way

Sutton

Surrey

SM1 4BF

Dated

17/10/2007

# ISLAMIC CENTRE OF ENGLAND LTD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
<b>Incoming resources from generated funds</b>					
Donations	2	-	1,339,515	1,339,515	1,768,687
Non-charitable income	3	40,148	19,077	59,225	73,732
Other Incoming resources	4	-	-	-	97,188
<b>Total incoming resources</b>		<b>40,148</b>	<b>1,358,592</b>	<b>1,398,740</b>	<b>1,939,607</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Fundraising and Publicity	5	-	139,005	139,005	254,905
<b>Charitable activities</b>					
Donation to other Islamic educational institutions		-	260,408	260,408	365,383
Religious activities and propagation		-	109,502	109,502	129,299
Welfare activities		-	277,138	277,138	309,293
Other direct expenses		-	185,030	185,030	483,119
<b>Total charitable expenditure</b>		<b>-</b>	<b>832,078</b>	<b>832,078</b>	<b>1,287,094</b>
Governance costs	7	-	341,023	341,023	281,212
<b>Total resources expended</b>		<b>-</b>	<b>1,312,106</b>	<b>1,312,106</b>	<b>1,823,211</b>
<b>Net income for the year/ Net movement in funds</b>		<b>40,148</b>	<b>46,486</b>	<b>86,634</b>	<b>116,396</b>
Fund balances at 1 January 2005		-	2,705,112	2,705,112	2,588,715
<b>Fund balances at 31 December 2005</b>		<b>40,148</b>	<b>2,751,598</b>	<b>2,791,746</b>	<b>2,705,111</b>

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

All incoming resources and resources expended derive from continuing activities

# ISLAMIC CENTRE OF ENGLAND LTD

## BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	9	2,385,208		2,325,357	
<b>Current assets</b>					
Debtors	10	5,000		5,000	
Cash at bank and in hand		419,778		396,030	
		<u>424,778</u>		<u>401,030</u>	
<b>Creditors amounts falling due within one year</b>	11	<u>(18,240)</u>		<u>(21,276)</u>	
<b>Net current assets</b>		<u>406,538</u>		<u>379,754</u>	
<b>Total assets less current liabilities</b>		<u><u>2,791,746</u></u>		<u><u>2,705,111</u></u>	
<b>Income funds</b>					
Restricted funds	12	2,751,598		2,646,635	
Unrestricted funds		<u>40,148</u>		<u>58,476</u>	
		<u><u>2,791,746</u></u>		<u><u>2,705,111</u></u>	

The accounts were approved by the Board on

17-10-2007

Director

# ISLAMIC CENTRE OF ENGLAND LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

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### 1 Accounting policies

#### 1.1 Basis of preparation

The audited accounts have been prepared under the historical cost convention

The audited accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985

#### 1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable

#### 1.3 Resources expended

All expenditure is accounted for on an accruals basis and is recognised where there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to that category

Costs of generating funds

Costs incurred in attracting voluntary income and for publicity purpose

Charitable activities

Costs associated with donation to other Islamic educational institutions, religious activities and propagation, welfare activities and other direct expenses

Governance costs

Costs associated with the governance arrangements of Islamic Centre, included within this category are costs associated with the day-to-day management of the Islamic Centre activities. This includes such items as external audit, legal advice and costs associated with constitutional and statutory requirements

Support cost

The number of staff involved in an activity is deemed to be the appropriate basis for allocating support costs as it closely reflects the resources usage of the support functions of the core activities

Recognition of Liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice and Reporting (effective April 2005) issued by the Charity Commission

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided on freehold buildings as it is the company's policy to maintain these so as to extend their useful lives

# ISLAMIC CENTRE OF ENGLAND LTD

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

### 1 Accounting Policies

(continued)

#### 1.5 Accumulated funds

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 objects of the charity

### 2 Donations

	2005 £	2004 £
Donations and gifts	<u>1,339,515</u>	<u>1,768,687</u>

### 3 Non-charitable income

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Sale of Books & Cassettes and Hire of Hall	40,148	-	40,148	58,476
Receipts from Conduct of Marriage and other	-	19,077	19,077	15,256
	<u>40,148</u>	<u>19,077</u>	<u>59,225</u>	<u>73,732</u>

### 4 Other Incoming resources

	Total 2005 £	Total 2004 £
Net gain on disposal of fixed assets	<u>-</u>	<u>97,188</u>

# ISLAMIC CENTRE OF ENGLAND LTD

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

### 5 Total resources expended

	Staff costs £	Other costs £	Total 2005 £	Total 2004 £
<b>Costs of generating funds</b>				
Fundraising and Publicity	-	139,005	139,005	254,905
<b>Charitable activities</b>				
<u>Donation to other islamic educational institutions</u>				
Activities undertaken directly	-	260,408	260,408	365,383
<u>Religious activities and propogation</u>				
Activities undertaken directly	-	109,502	109,502	129,299
<u>Welfare activities</u>				
Activities undertaken directly	-	277,138	277,138	309,293
<u>Other direct expenses</u>				
Activities undertaken directly	-	44,387	44,387	345,820
Support costs	140,643	-	140,643	137,299
Total	140,643	44,387	185,030	483,119
	<b>140,643</b>	<b>691,435</b>	<b>832,078</b>	<b>1,287,094</b>
<b>Governance costs</b>	<b>10,200</b>	<b>330,823</b>	<b>341,023</b>	<b>281,212</b>
	<b>150,843</b>	<b>1,161,263</b>	<b>1,312,106</b>	<b>1,823,211</b>

Governance costs includes payments to the auditors of £7,931 (2004 £7,931) for audit fees

### 6 Support costs

	2005 £	2004 £
Staff costs	140,643	137,299
	<b>140,643</b>	<b>137,299</b>

Staff support costs have been allocated to other direct expenses on the basis of the number of direct staff supported during the year

# ISLAMIC CENTRE OF ENGLAND LTD

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

### 7 Governance costs

	2005 £	2004 £
Other governance costs comprise		
Insurance	13,626	9,533
Light & heat	57,671	46,671
Repair & maintenance	46,272	31,555
Printing postage & Stationery	31,386	26,419
Telephone & fax	33,422	40,514
Motor & travel	60,807	31,058
Legal & professional	13,005	6,306
Audit fee	7,931	7,931
Motor Hire	1,485	1,397
Loan interest	-	25,839
Bank charges	469	2,132
Hire of equipment	7,152	2,139
Computer & internet	33,083	6,350
Cleaning	24,514	32,463
	<b>330,823</b>	<b>270,307</b>

### 8 Employees

#### Number of employees

The average monthly number of employees during the year was

	2005 Number	2004 Number
Engaged on management and governance activities	2	3
Engaged on support activities	9	14
	<b>11</b>	<b>17</b>

#### Employment costs

	2005 £	2004 £
Wages and salaries	140,584	138,054
Social security costs	10,259	10,150
	<b>150,843</b>	<b>148,204</b>

There were no employees whose annual emoluments were £60,000 or more

# ISLAMIC CENTRE OF ENGLAND LTD

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

### 9 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2005	2,173,269	328,314	23,610	2,525,193
Additions	53,000	28,967	7,700	89,667
<b>At 31 December 2005</b>	<b>2,226,269</b>	<b>357,281</b>	<b>31,310</b>	<b>2,614,860</b>
<b>Depreciation</b>				
At 1 January 2005	-	183,565	16,270	199,835
Charge for the year	-	26,057	3,760	29,817
<b>At 31 December 2005</b>	<b>-</b>	<b>209,622</b>	<b>20,030</b>	<b>229,652</b>
<b>Net book value</b>				
<b>At 31 December 2005</b>	<b>2,226,269</b>	<b>147,659</b>	<b>11,280</b>	<b>2,385,208</b>
At 31 December 2004	2,173,269	144,749	7,339	2,325,357

### 10 Debtors

	2005 £	2004 £
Other debtors	5,000	5,000

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

	2005 £	2004 £
Taxes and social security costs	1,882	21,206
Directors current account	70	70
Other creditors	4,288	-
Accruals	12,000	-
	<b>18,240</b>	<b>21,276</b>



# ISLAMIC CENTRE OF ENGLAND LTD

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

### 12 Net funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Balance at 1 January 2005	Movement in funds		Balance at 31 December 2005
	£	Incoming resources	Resources expended	£
Retained surplus for the financial year	-	46,486	-	46,486
Retained surplus at 1st January 2005	2,705,112			2,705,112
Retained surplus at 31st December 2005	2,705,112	46,486		2,751,598

# ISLAMIC CENTRE OF ENGLAND LTD

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

### 13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2005 are represented by			
Tangible fixed assets	-	2,385,208	2,385,208
Current assets	58,388	366,390	424,778
Creditors amounts falling due within one year	(18,240)	-	(18,240)
	<u>40,148</u>	<u>2,751,598</u>	<u>2,791,746</u>

### 13 Limited Guarantee

Islamic Centre of England Ltd is a company Limited by guarantee. Each member undertakes to contribute such amount as may be required (not exceeding £10) to the company's assets it should be wound up while he is a member or within one year after he ceased to be a member, for payment of the company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustments of the rights of the contributories among themselves.

The company has 3 members at 31st December 2005 (2004 - 3)

### 14 Going Concern

The ability of the organisation to raise sufficient donations and meet its daily outgoing is necessary for it to continue as a going concern.

However, the amount of donations which Islamic Centre of England Ltd is able to raise is uncertain as this is based on goodwill of donors.

Based on actual donations received since the balance sheet date and projected figures, the directors are of the opinion that Islamic Centre of Ltd will be able to meet its daily outgoings in the foreseeable future.