

ISLAMIC CENTRE OF ENGLAND LTD

Company No: 03142456 (England and Wales)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

BHALLOO & COMPANY LIMITED  
Chartered Certified Accountants  
52 Throwley Way  
Sutton, Surrey SM1 4BF



ISLAMIC CENTRE OF ENGLAND LTD

**DIRECTORS**

A Moezi (Appointed 16/07/2004)  
M Shokrizadeh (Appointed 26/11/2004)  
S Ranani

**SECRETARY**

M Shokrizadeh

**REGISTERED CHARITY NUMBER**

1058998

**BUSINESS ADDRESS**

140 Maida Vale  
London  
W9 1QB

**REGISTERED OFFICE**

140 Maida Vale  
London  
W9 1QB

**AUDITORS**

Bhalloo & Company Limited  
Chartered Certified Accountants  
52 Throwley Way  
Sutton  
Surrey SM1 4BF

**SOLICITORS**

Kidd Rapinet  
14-15 Craven Street  
London  
WC2N 5AD

**PRINCIPAL BANKERS**

National Westminster Bank plc  
160 Cricklewood Broadway  
London  
NW2 3ED

ISLAMIC CENTRE OF ENGLAND LTD

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## ISLAMIC CENTRE OF ENGLAND LTD

### REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31st December 2003.

#### **PRINCIPAL 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.

#### **ORGANISATION**

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 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.

#### **TRANSACTIONS AND FINANCIAL POSITION**

The financial statements have 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 receipt of the organisation was £1,787,875 (2002 - £1,336,412) of which £59,329 (2002 - £39,092) 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 principal activities amounted to £1,728,546 (2002 - £1,297,320).

#### **DIRECTORS' RESPONSIBILITIES**

As mentioned in paragraph 3 above, the Trust's officers are directors of Islamic Centre of England Ltd for the purposes of the Companies Act and company law requires them to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to;

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ISLAMIC CENTRE OF ENGLAND LTD

REPORT OF THE DIRECTORS (Continued)

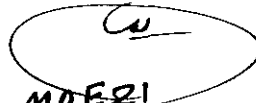
**AUDITORS**

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

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

By Order of the Board

Date: ..01/12/2004

  
M O E Z I  
.....  
Director

ISLAMIC CENTRE OF ENGLAND LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ISLAMIC CENTRE OF ENGLAND LTD

We have audited the financial statements of Islamic Centre of England Ltd on pages 5 to 11 for the year ended 31st December 2003. The financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 directors' report is not consistent with the financial statements, if the company 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 directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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. However, the evidence available to us in respect of donations received in the period was limited. Donations received by the organisation were neither contractual nor obligatory on the part of the donors. As such it was not possible to extend our procedures to determine the adequacy and completeness of donations received, which are derived primarily from bankings made into the charity's bank account. It is not possible to quantify the effect these might have on the charity's financial statements. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Going Concern**

In forming our opinion, we have considered the adequacy of the disclosures made in note 10 to the accounts concerning the directors' assessment of the organisation's ability to meet expenses and other outgoing. In view of the significance of this uncertainty, we considered that it should be brought to your attention, but our opinion is not qualified in this respect.

ISLAMIC CENTRE OF ENGLAND LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF (Continued)  
ISLAMIC CENTRE OF ENGLAND LTD

**Opinion**

Except for the possible effect of the limitation referred to in paragraph 7 above, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st December 2003 and of its incoming and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

*Bhalla to Kd*

Date : ..... 1-12-2004

.....  
**BHALLOO & COMPANY LIMITED**  
Chartered Certified Accountants  
Registered Auditors  
52 Throwley Way  
Sutton  
Surrey SM1 4BF

**ISLAMIC CENTRE OF ENGLAND LTD**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2003**

		UNRESTRICTED	RESTRICTED	TOTAL FUNDS	TOTAL FUNDS
	Notes	2003 £	2003 £	2003 £	2002 £
<b>INCOMING RESOURCES</b>					
Donations		-	1,728,546	1,728,546	1,297,320
Non-Charitable Income		59,329	-	59,329	39,092
Total Incoming Resources		59,329	1,728,546	1,787,875	1,336,412
<b>RESOURCES EXPENDED</b>					
Direct Charitable Expenditure		-	823,194	823,194	455,815
Other Direct Expenditure		51,919	155,758	207,677	170,443
Support Costs		-	27,122	27,122	25,651
Fundraising and Publicity		-	4,745	4,745	2,193
Management and Administration		-	773,642	773,642	613,657
Total Resources Expended		51,919	1,784,461	1,836,380	1,267,759
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>					
		7,410	(55,915)	(48,505)	68,653
Transfers Between Funds		(7,410)	7,410	-	-
<b>NET INCOMING RESOURCES AND NET MOVEMENT OF FUNDS</b>					
		-	(48,505)	(48,505)	68,653
FUND BALANCES BROUGHT FORWARD	8	-	2,637,220	2,637,220	2,568,567
FUND BALANCES CARRIED FORWARD	8	-	2,588,715	2,588,715	2,637,220

**SUMMARY INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2003**

	Notes	2003 £	2002 £
Gross Income of Continuing Operations		1,728,546	1,297,320
Non-charitable Trading Activities Net Income		7,410	(131,351)
Total Income of Continuing Operations		1,735,956	1,165,969
Total Expenditure of Continuing Operations		1,784,461	1,097,316
NET INCOME FOR THE YEAR	7	(48,505)	68,653



ISLAMIC CENTRE OF ENGLAND LTD

ANALYSIS OF INCOMING RESOURCES AND TOTAL RESOURCES EXPENDED  
FOR THE YEAR ENDED 31ST DECEMBER 2003

	UNRESTRICTED 2003 £	RESTRICTED 2003 £	TOTAL 2003 £	TOTAL 2002 £
<b>INCOMING RESOURCES</b>				
Donations :-				
- Education, Promotion and Welfare	-	1,728,546	1,728,546	1,297,320
- Purchase of Islamic College	-	-	-	-
- Purchase of London Subsidiary	-	-	-	-
Other Income and Donations	-	-	-	-
Receipts from Conduct of Marriage and other Religious Activities	14,450	-	14,450	27,264
Sale of Books & Cassettes and Hire of Hall	44,879	-	44,879	11,828
	59,329	1,728,546	1,787,875	1,336,412
<b>RESOURCES EXPENDED</b>				
<u>Direct Charitable Expenditure</u>				
- Donations to Other Islamic Educational Institutions	-	390,993	390,993	88,197
- Religious Activities and Propagation	-	125,045	125,045	323,434
- Medical Sponsorship	-	24,569	24,569	31,068
- Umra and Haj Pilgrimage	-	-	-	1,156
- Others	-	282,586	282,586	11,960
	-	823,193	823,193	455,815
<u>Other Direct Expenditure</u>				
- Cost of Printing, Books and Cassettes	51,919	155,758	207,677	170,443
	51,919	155,758	207,677	170,443
<u>Support Costs</u>				
- Other costs	-	5,149	5,149	2,339
- Depreciation	-	21,973	21,973	23,312
	-	27,122	27,122	25,651
<u>Fundraising and Publicity</u>				
- Advertising	-	4,745	4,745	2,193
	-	4,745	4,745	2,193

ISLAMIC CENTRE OF ENGLAND LTD

ANALYSIS OF INCOMING RESOURCES AND TOTAL RESOURCES EXPENDED  
FOR THE YEAR ENDED 31ST DECEMBER 2003 (CONTINUED)

	UNRESTRICTED	RESTRICTED	TOTAL	TOTAL
	2003	2003	2003	2002
	£	£	£	£
<u>Management and Administration</u>				
- Wages and Salaries	-	129,640	129,640	121,048
- Accommodation, Rates & Insurance	-	100,012	100,012	77,518
- Welfare Activities	-	234,701	234,701	127,200
- Light and Heat	-	23,377	23,377	8,601
- Printing, Postage and Stationery	-	21,999	21,999	42,678
- Telephone	-	51,494	51,494	52,988
- Hire of equipment and Mobile Unit	-	1,925	1,925	1,711
- Motor Leasing Expenses	-	10,283	10,283	5,739
- Computer and Internet Expenses	-	6,064	6,064	1,354
- Repairs and Maintenance	-	38,063	38,063	21,095
- Cleaning	-	6,192	6,192	4,743
- Motor and Travel Expenses	-	42,067	42,067	33,103
- Legal and professional	-	16,913	16,913	21,123
- Accountancy	-	7,931	7,931	7,931
- Bank Charges and Interest	-	1,004	1,004	2,103
- Loan Interest	-	81,976	81,976	80,191
- Hire Purchase Interest	-	-	-	248
- Other Interest	-	-	-	4,283
	-	773,641	773,641	613,657

ISLAMIC CENTRE OF ENGLAND LTD

BALANCE SHEET AT 31ST DECEMBER 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible assets	3	3,882,913	3,894,857
<b>CURRENT ASSETS</b>			
Debtors	4	29,988	54,397
Cash at bank and in hand		332,765	78,410
		<u>362,753</u>	<u>132,807</u>
<b>CREDITORS: Amounts falling due within one year</b>	5	(242,511)	(223,828)
<b>NET CURRENT ASSETS</b>		<u>120,242</u>	<u>(91,021)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,003,155	3,803,836
<b>CREDITORS: Amounts falling due after more than one year</b>	6	(1,414,440)	(1,166,616)
		<u>2,588,715</u>	<u>2,637,220</u>
<b>FUNDS AND RESERVES</b>			
Net funds	7	2,588,715	2,637,220
		<u>2,588,715</u>	<u>2,637,220</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

The financial statements were approved by the board on 11/12/2004 and signed on its behalf by

..... )  
*Cw* ) Directors  
11.05.21 )

The notes on pages 9 to 11 form part of these financial statements.

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

**1. ACCOUNTING POLICIES**

**1.1 Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice for Charities.

**1.2 Turnover**

Turnover represents the donations and other legacies received during the period.

**1.3 Depreciation**

Depreciation is provided using the rates to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

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.

**1.4 Leasing and Hire Purchase**

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

**2. OPERATING SURPLUS**

	2003 £	2002 £
The operating surplus is stated after charging:		
Depreciation	21,973	23,312
Auditors' remuneration	7,931	7,931
	<u>21,973</u>	<u>23,312</u>

**3. TANGIBLE ASSETS**

	Land and buildings £	Plant and machinery etc. £	Total £
<u>Cost</u>			
At 1st January 2003	3,767,101	277,628	4,044,729
Additions	-	10,029	10,029
At 31st December 2003	<u>3,767,101</u>	<u>287,657</u>	<u>4,054,758</u>
<u>Depreciation</u>			
At 1st January 2003	-	149,872	149,872
Charge for year	-	21,973	21,973
At 31st December 2003	<u>-</u>	<u>171,845</u>	<u>171,845</u>
<u>Net book value at 31st December 2003</u>	<u>3,767,101</u>	<u>115,812</u>	<u>3,882,913</u>
<u>Net book value at 31st December 2002</u>	<u>3,767,101</u>	<u>127,756</u>	<u>3,894,857</u>

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

4. DEBTORS

	2003 £	2002 £
Other	29,988	54,397
	<u>29,988</u>	<u>54,397</u>

5. CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	2003 £	2002 £
Bank loan	-	160,848
Trade creditors	21,133	19,881
Taxes and social security costs	21,308	38,029
Other creditors	200,070	5,070
	<u>242,511</u>	<u>223,828</u>
Secured creditors	<u>-</u>	<u>160,848</u>

6. CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Bank loans	1,414,440	1,166,616
	<u>1,414,440</u>	<u>1,166,616</u>
Secured creditors	<u>1,414,440</u>	<u>1,166,616</u>

The loan of £1,414,440 at the balance sheet date is secured on the freehold land and buildings of Islamic Centre of England Ltd.

7. NET FUNDS

	2003 £	2002 £
Retained surplus at 1st January 2003	2,637,220	2,568,567
Loss for the financial year	(48,505)	68,653
Retained surplus at 31st December 2003	<u>2,588,715</u>	<u>2,637,220</u>

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

8. RECONCILIATION OF MOVEMENTS IN FUNDS

	2003 £	2002 £
Loss for the financial year	(48,505)	68,653
Fund balance at 1st January 2003	2,637,220	2,568,567
	<hr/>	<hr/>
Fund balance at 31st December 2003	2,588,715	2,637,220
	<hr/>	<hr/>
Represented by:-		
Restricted funds	2,588,715	2,637,220
Unrestricted funds	-	-
	<hr/>	<hr/>
	2,588,715	2,637,220
	<hr/>	<hr/>

9. 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 if it should be wound up while he is a member or within one year after he ceases 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 adjustment of the rights of the contributories among themselves.

The company has 3 members at 31st December 2003 (2002 - 3).

10. 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 the 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 England Ltd will be able to meet its daily outgoing in the foreseeable future.