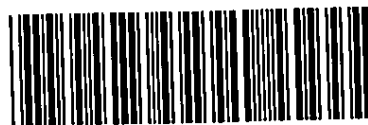


Charity Registration No 1058998

Company Registration No 03142456 (England and Wales)

ISLAMIC CENTRE OF ENGLAND LTD
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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ISLAMIC CENTRE OF ENGLAND LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Ranani T Masoud M Abdoulhossein
Secretary	T Masoud
Charity number	1058998
Company number	03142456
Principal address	140 Maida Vale London W9 1QB
Registered office	140 Maida Vale London W9 1QB
Auditors	Bhalloo & Company Limited 50 Throwley Way Sutton Surrey SM1 4BF
Bankers	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
Solicitors	Kidd Rapinet 14-15 Craven Street London WC2N 5AD

ISLAMIC CENTRE OF ENGLAND LTD

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ISLAMIC CENTRE OF ENGLAND LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

The trustees present their report and audited accounts for the year ended 31 December 2006

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

T Masoud

M Abdoulhossein

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 2006

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 television 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 250 people.

ISLAMIC CENTRE OF ENGLAND LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

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 £1,214,139 (2005 - £1,398,740) of which £51,236 (2005 - £59,225) 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 £1,162,903 (2005 - £1,339,515)

At 31st December 2006, the balance on the restricted fund was £2,802,340 of which £139,986 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 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 23/1/2008

ISLAMIC CENTRE OF ENGLAND LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

We have audited the financial statements of Islamic Centre of England LTD for the year ended 31 December 2006 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 whether in our opinion the information given in the Trustees' Report is 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

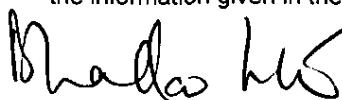
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ISLAMIC CENTRE OF ENGLAND LTD

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 2006 and of its incoming resources and application of resources in the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the accounts



Bhalloo & Company Limited

Chartered Certified Accountants

Registered Auditor

50 Throwley Way

Sutton

Surrey

SM1 4BF

Dated 23-1-2008

ISLAMIC CENTRE OF ENGLAND LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
<u>Incoming resources from generated funds</u>					
Donations	2	-	1,162,903	1,162,903	1,339,515
Non-charitable income	3	37,767	13,469	51,236	59,225
Total incoming resources		37,767	1,176,372	1,214,139	1,398,740
<u>Resources expended</u>					
Costs of generating funds					
Fundraising and Publicity	4	-	118,607	118,607	139,005
Charitable activities					
Donation to other islamic educational institutions		-	205,609	205,609	260,408
Religious activities and propogation		-	104,577	104,577	109,502
Welfare activities		-	203,429	203,429	277,138
Other direct expenses		-	239,025	239,025	185,030
Total charitable expenditure		-	752,640	752,640	832,078
Governance costs	4	-	294,531	294,531	341,023
Total resources expended		-	1,165,778	1,165,778	1,312,106
Net income for the year/ Net movement in funds		37,767	10,594	48,361	86,634
Fund balances at 1 January 2006		-	2,791,746	2,791,746	2,705,112
Fund balances at 31 December 2006		37,767	2,802,340	2,840,107	2,791,746

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 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	9	2,709,141		2,385,208	
Current assets					
Debtors	10	-		5,000	
Cash at bank and in hand		139,986		419,778	
		139,986		424,778	
Creditors' amounts falling due within one year	11	(9,020)		(18,240)	
Net current assets		130,966		406,538	
Total assets less current liabilities		2,840,107		2,791,746	
Income funds					
Restricted funds	12	2,802,340		2,751,598	
Unrestricted funds		37,767		40,148	
		2,840,107		2,791,746	

The accounts were approved by the Board on 23/1/2008

Director 

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 recognized as incoming resources when receivable

Donated Services

No amounts are included in the financial statements for services donated by volunteers because these amounts cannot be quantified with reasonable accuracy

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

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting Policies (continued)

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

15 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

	2006 £	2005 £
Donations and gifts	<u>1,162,903</u>	<u>1,339,515</u>

3 Non-charitable income

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
Sale of Books & Cassettes and Hire of Hall	37,767	-	37,767	40,148
Receipts from Conduct of Marriage and other	-	13,469	13,469	19,077
	<u>37,767</u>	<u>13,469</u>	<u>51,236</u>	<u>59,225</u>

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2006 £	Total 2005 £
Costs of generating funds					
Fundraising and Publicity	-	-	118,607	118,607	139,005
Charitable activities					
<u>Donation to other Islamic educational institutions</u>					
Activities undertaken directly	-	-	205,609	205,609	260,408
<u>Religious activities and propagation</u>					
Activities undertaken directly	-	-	104,577	104,577	109,502
<u>Welfare activities</u>					
Activities undertaken directly	-	-	203,429	203,429	277,138
<u>Other direct expenses</u>					
Activities undertaken directly	-	-	71,732	71,732	44,387
Support costs	167,293	-	-	167,293	140,643
Total	167,293	-	71,732	239,025	185,030
	167,293	-	585,347	752,640	832,078
Governance costs	12,959	3,442	278,130	294,531	341,023
	180,252	3,442	982,084	1,165,778	1,312,106

Governance costs includes payments to the auditors of £7,931 (2005 £7,931) for audit fees

5 Support costs

	2006 £	2005 £
Staff costs	167,293	140,643
	167,293	140,643

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 2006

6 Governance costs

	2006	2005
	£	£
Other governance costs comprise		
Insurance	13,407	13,626
Light & heat	34,210	57,671
Repair & maintenance	58,839	46,272
Printing postage & Stationery	33,049	31,386
Telephone & fax	15,397	33,422
Motor & travel	41,338	60,807
Legal & professional	12,786	13,005
Audit fee	7,931	7,931
Motor Hire	-	1,485
Bank charges	1,865	469
Hire of equipment	4,916	7,152
Computer & internet	24,169	33,083
Cleaning	30,223	24,514
	<u>278,130</u>	<u>330,823</u>

7 Trustees Remuneration

Staff cost includes remuneration of £30,328 (2005 - £nil) paid during the year to one of trustee (Mr M Abdoulhossein), as per clause 5 of Memorandum & Articles of Association and with written consent of Charity Commission All trustees are of view that Mr M Abdoulhossein uniquely possesses spiritual charisma and ability to strengthen the faith of Shia Muslims and also he does not have other means of providing for himself and his family

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

8 Employees

Number of employees

The average monthly number of employees during the year was

	2006 Number	2005 Number
Engaged on management and governance activities	3	2
Engaged on support activities	15	9
	<u>18</u>	<u>11</u>

Employment costs

	2006 £	2005 £
Wages and salaries	167,293	140,584
Social security costs	12,959	10,259
	<u>180,252</u>	<u>150,843</u>

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

9 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2006	2,226,269	357,281	31,310	2,614,860
Additions	309,683	27,941	22,495	360,119
Disposals	-	-	(8,160)	(8,160)
At 31 December 2006	<u>2,535,952</u>	<u>385,222</u>	<u>45,645</u>	<u>2,966,819</u>
Depreciation				
At 1 January 2006	-	209,622	20,030	229,652
On disposals	-	-	(4,718)	(4,718)
Charge for the year	-	26,340	6,404	32,744
At 31 December 2006	<u>-</u>	<u>235,962</u>	<u>21,716</u>	<u>257,678</u>
Net book value				
At 31 December 2006	<u>2,535,952</u>	<u>149,260</u>	<u>23,929</u>	<u>2,709,141</u>
At 31 December 2005	<u>2,226,269</u>	<u>147,659</u>	<u>11,280</u>	<u>2,385,208</u>

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

10 Debtors	2006 £	2005 £
Other debtors	-	5,000

11 Creditors, amounts falling due within one year	2006 £	2005 £
Taxes and social security costs	8,683	1,882
Directors current account	-	70
Wages Control Account	337	-
Other creditors	-	4,288
Accruals	-	12,000
	9,020	18,240

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 2006 £	Movement in funds		Balance at 31 December 2006 £
		Incoming resources £	Resources expended £	
Retained surplus for the financial year	-	1,176,372	(1,165,778)	10,594
Retained surplus at 1st January 2006	2,791,746	-	-	2,791,746
	2,791,746	1,176,372	(1,165,778)	2,802,340

ISLAMIC CENTRE OF ENGLAND LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2006 are represented by			
Tangible fixed assets	-	2,709,141	2,709,141
Current assets	98,104	41,882	139,986
Creditors amounts falling due within one year	(9,020)	-	(9,020)
	<u>37,767</u>	<u>2,802,340</u>	<u>2,840,107</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 2006 (2005 - 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.

14 Capital commitments

	2006 £	2005 £
At 31 December 2006 the company had capital commitments as follows		
Expenditure contracted for but not provided in the accounts	<u>800,158</u>	<u>-</u>

The Charity has capital commitments of £1,100,000 for extension of building, £ 299,842 has been charged in accounts.