

Company Registration Number - 5567478

The Charity Registration Number is :- 1119977

Muslim Research and Development Foundation

Report and Accounts

31 December 2020

Muslim Research and Development Foundation

Report and accounts for the year ended 31 December 2020

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Muslim Research and Development Foundation

Company Registration Number - 5567478

Trustees' Annual Report for the year ended 31 December 2020

The Trustees present their Report and Accounts for the year ended 31 December 2020, which also comprises the Directors' Report required by the Companies Act 2006.

Reference and administrative details

The charity name.

The legal name of the charity is:- Muslim Research and Development Foundation.

The charity is also known by its operating name, MRDF.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1119977.

The charity does not operate in any overseas jurisdictions.

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts. The governing document of the charity is the Memorandum and Articles of Association establishing the company under company legislation.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The Trustees are all individuals.

The principal operating address, telephone number, email and web addresses of the charity are:-

56 Greenfield Road

London,

E1 1EJ

Telephone 0208 3460072

Email Address enquiries@mrdf.co.uk Web address www.mrdf.co.uk

The registered office of the charity for Companies Act purposes is the same as the operating address shown above.

The Trustees in office on the date the report was approved were:-

M Khalid

F Haibatani

Y Patel

The following persons served as Trustees during the year ended 31 December 2020 :-

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the accounts.

At the Annual General Meeting all trustees retire as trustees, but are eligible for reappointment.

All the trustees are also members of the charity.

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Objects and activities of the charity

The purposes of the charity as set out in its governing document.

The Charity's objectives and principal activities as set out in the Memorandum and Articles of Association continue to be that of:

- 1) To facilitate the development of leadership skills within the Muslim community.
- 2) The advancement of research into Islamic solutions to challenges faced by Muslims communities, as well as the general population in the UK.
- 3) To facilitate Muslims furthering their knowledge.
- 4) To produce Islamic media.
- 5) To undertake any charitable activity in the pursuit of the above objectives.

An explanation of the charity's main objectives for the year.

- a) To deliver our services with adaptations to online platforms and social distanced events.
- b) To provide a variety of courses and workshops for families affected by lockdown.
- c) To follow the new adapted fundraising plans for Ramadan 2020.
- d) To be in a stable financial position focusing on being debt free and making sure our working balance is adequate for 2020. Leading to being financially sound and not in deficit at the end of the financial year.
- e) To stabilise our fundraising income by investing in online fundraising specialists for the whole of 2020.
- f) To work with our supporters in understanding their needs for education and guidance needs during the change from physical to lockdown.
- g) Realign our vision and mission with clear direction following our principles to all staff, volunteers, and key stakeholders.
- h) To follow the staff retention and voluntary leave policy with an aim to only lose 25% of key staff by the end of 2020.
- i) To work with all funding and government bodies to find ways in stabilising our staff outgoings.

An explanation of the charity's strategies for achieving its stated objectives

- a) To invest in online platforms for the delivery of our services and events.
- b) To use this period to strengthen our relationship with all charities and organisations that can help fulfil our charitable objectives.
- c) To work with key online fundraising platforms in building a robust fundraising experience for donors.
- d) To focus on using volunteers to help with the changing dynamics of online education needs.
- e) Review risk assessments on all main projects considering our charitable objects in light of the changes the pandemic is having on the execution of services by the charity.
- f) To make an amended pandemic driven finance plan for each activity/service.
- g) To carry on developing a hub of experienced fundraisers specialising on getting our message heard on social media.
- h) To look into developing new online curricula in light of the change from physical to online delivery of services.

The main activities undertaken in relation to those purposes during the year.

- 1) Sabeel eRetreats programme supporting 2 European retreats with its partners.
- 2) Sabeel Development Programme provided over 8 weekend eRetreats in the UK.
- 3) Sabeel Development programme UK (eRetreats) had a total of 300 students for all cycles.
- 4) Provided guidance to over 30 national UK based charities/organisations. The increase is due to the need for guidance in the Covid-19 climate.
- 5) Fatwa line, answering questions from Muslims and non-Muslims alike about aspects of Islam that affect their daily lives. Helping over 2000 people in 2020, a considerable increase due the Covid-19 pandemic.
- 6) The provision of 7 Sharia advisors to help in arbitration for the Islamic Council of Europe. All services were provided online as the Islamic Council of Europe migrated its services to be online.
- 7) Running 4 weekend live webinars, Saturday, and Sunday, 600 attendees in total.
- 8) Running 3 weekend courses, Friday to Sunday, 300 attendees in total.
- 9) Delivering 30 lectures for external organisations (during Ramadan & Dhul Hijjah period).

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Factors relevant to the achievement of the charity's objectives

As with previous years the stability of the charity depended heavily on fund generation and the quality and variety of our services. Thus, 2019 became the year we started seeing results in the structure and development of our fundraising department. We increased the number of tools and paths to fundraising with a clear focus in how we communicated our message. We reached out to previous donors and new potential donors via our communications strategy. We really wanted both those who had donated previously and those who wanted to know more about the charity in general, to be at the core of our communications. Internally we carried on from the previous year and made sure our vision and mission were cemented in our staff and core volunteers. We carried out with new ways of reaching those in need of our services, this was evident with the number of activities carried outside of the London area for the second year running.

The main activities undertaken during the year to further the charity's purpose for the public benefit.

This year was an unprecedented year for the whole community. Covid-19 not only stopped our activities and affected our communities but have left an undeniable taste of loss. The Muslim community like other BAME communities has been heavily affected unproportionally as compared to the wider community. Many of our staff, volunteers and supporters were personally affected with loss and family tragedy in this period.

Our activities are following our charitable objectives aimed specifically to the Muslim community but open to the general public to attend and benefit. Our activities aim to strengthen the Muslim community and give guidance to challenges it faces, this was the core to our focus in the pandemic year. As there were no physical attendances to our courses or events, we had to find ways of providing the guidance and direction the community needed through new ways of communication. As with all our events there are no restrictions placed in the attendance or participation of any activity or service offered by the charity. The only exceptions we place are to those activities which refer to a practice of faith upheld by the Muslim community, such as leading prayers or other related acts of the Islamic faith such as prayer.

Our activities in general are offered throughout the country, in 2020 all our activities were confined to online alternatives and especially with our Sihaab retreats some physical one-day retreats following the covid-19 guidance placed by the government. Our work in Europe with our partners was only done online and, in many cases, stopped altogether due to the difficult conditions covid-19 placed on smaller communities. We aimed to withdraw any restrictions for those unable to afford the fees to some of our activities and services, by offering free attendance online. Our open and clear guidelines prevent an individual from not benefiting from our services. In the Covid-19 period it was even more open and accessible. Thus, we fulfilled our charitable aims in providing benefit in a material way to those who could not afford our activity/service fees, including those in poverty.

As is clear in our statements on access and public benefit, we believe there should be no barriers between a member of our community wanting to benefit from our services/activities and their personal financial situation. We have put the following rules in place from our inception to facilitate access:

- 1) Fees for any service/activity must follow the MRDF fees policy. The policy has at its core the aim of charging an appropriate entry level cost for all the services offered. The charity aims to provide these services at a minimum cost, even though some services generate profit, they do so following a policy of proportional discounts. Fees are always approved by the trustees in line with the policy.
- 2) The policy provides students and those on low income with set discounts within each service/activity.
- 3) The policy also includes provisions for instalments for those unable to meet the fees of an activity/service. This provision is there for any participant who is unable to attend an activity/service due to being unable to afford the fee, the participant will be allowed to pay in instalments in a jointly agreed payment plan. This payment plan is setup by the administration department and will have further provisions for non-payment of fees if the hardship of returning the fees is overburdening on the participant. This further provision needs a direct approval from the trustees and the finance manager.

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We will never prevent those unable to pay due to poverty from having the opportunity in benefitting from our activities or services. We carry out regular checks to make sure there are no private benefits that are especially given to members of the charity or its trustees. All such benefits (whether material or not) are the same as provided to the general public and in those cases where benefits are gained these are incidental.

The trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity.

The contribution of volunteers during the year.

In 2020 volunteers participated with the charity in less capacity due to the lockdown and general pandemic conditions. Volunteers are the major backbone of our work; they are the real providers of the charity's objectives and without them the charity would and could not deliver the activities and services it does. As most of our services and activities went online, we utilised our volunteers with experience in online tools. We used over 20 volunteers in helping our core staff in delivering our services. In 2019 we used under 40 volunteers for our retreats and 200 event-based non-permanent volunteers, in 2020 we saw a dramatic reduction.

The main achievements and performance of the charity during the year.

During the year the main achievements of the charity can be summarised as follows:

- 1) Continuing the operation of 3 cycles of the Sabeel development programme in the UK.
- 2) Providing assistance and guidance in delivering our tarbiyyah (cultivation) services to our European partners in Denmark, Holland, Germany, Norway and Turkey.
- 3) Providing educational services to the following supported projects:
 - a. Muslim Youth Initiative – providing syllabus support.
 - b. Family Events – providing content and guidance on topic delivery for retreats.
 - c. Islamic Council of Europe – providing Sharia advisors.
 - d. Islam21c – Writing articles on key issues affecting the community.
- 4) 'Fatwa line', national call in Sharia advisory service.

The significant charitable activities undertaken in the year.

- a. The provision of over 8 Sabeel online eRetreats from April to December 2020.
- b. The provision of 7 Sihaab (advanced Sabeel) physical social distanced one-day programmes.

Structure, governance and management of the charity

The methods used to recruit and appoint new charity trustees.

New Trustees are appointed based on experience in the areas pertinent to the Charity's objectives and selected by the Board of Trustees. Each new trustee undergoes an orientation day to brief them on their legal obligations under the Charities and Companies Act. They are provided with the Charity Commission's guidance and a copy of the Memorandum of Association.

Bankers	HSBC Bank plc, 126 High Road Ilford, Essex IG1 1DA
Solicitors	Saracens Solicitors, Sentinel House, 16 Harcourt Street, London
Accountants	Honest Advisory, 1 Tylecroft road, London, SW16 4BL

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Trustees' Annual Report for the year ended 31 December 2020

Financial review

The charity's financial position at the end of the year ended 31 December 2020

The financial position of the charity at 31 December 2020 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2020	2019
	£	£
Net(loss)/income	8,095	(15,450)
Unrestricted Revenue Funds available for the general purposes of the charity	26,854	18,759
Restricted Revenue Funds	5,339	5,339
Total Funds	32,193	24,098

Financial review of the position at the reporting date, 31 December 2020 .

The Trustees consider the financial performance of the Charity to be satisfactory. The current year efforts to increase funding has resulted in increased costs, but increased donations, leading to a surplus of £8,095. The current year result is a surplus of £8,095 (2019: deficit £15,450), being in line with expectations. The Trustees are continually assessing and evaluating performance in the light of the challenges - financial and non financial - faced by the charity. The net reserves at the year end was £32,193 (2019 £24,098) of which unrestricted funds are £26,854 (2019: £18,759) and restricted reserves of £5,339 (2019 £5,339). There were no changes in fixed assets.

Policies on reserves.

The Trustees have reviewed the requirement to maintain a minimum reserve, in light of the main risks faced by the charity and established a reserve policy. It has established a policy that reserves should cover three months of unavoidable costs. This target level is a reserve of £30,000 and it is fully anticipated that this will allow the Charity to meet its fixed and unavoidable costs.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Details of The Independent Examiner

S Issadeen
Member of Institute of Chartered Accountants in England and Wales
1 Tylecroft Road
London
SW16 4BL

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Trustees' Annual Report for the year ended 31 December 2020

Statement of the Directors Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019).

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

Statement of the Directors Trustees' Responsibilities (continued)

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and 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 charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. 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.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 9 to 24.

The financial statements have been prepared implementing the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016).

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 30 October 2021.



Y Patel
Director and Trustee

Muslim Research and Development Foundation

Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 31 December 2020

I report to the Trustees on my examination of the financial statements of the charitable company on pages 9 to 26 for the year ended 31 December 2020 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard 102, (effective 1st January 2016) as modified by FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW) and under the historical cost convention and the accounting policies set out on page 14.

Respective responsibilities of the Trustees and the Independent Examiner and the basis of the report

As described on page 6, you, the charitable company's Trustees, who are also the Directors of the Company for the purposes of Company law, are responsible for the preparation of the financial statements in accordance with the Companies Act 2006, the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice, applicable to smaller entities, and for being satisfied that the financial statements give a true and fair view.

The Trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the memorandum and articles of the charity for the conducting of an audit, and that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006 and that no member or members have requested an audit pursuant to Section 476 of the Companies Act 2006. As a consequence, the Trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the financial statements are not required to be audited under any legal provision, or otherwise, and are eligible for independent examination, it is my responsibility to:-

- a) examine the financial statements of the charity under Section 145 of the Act;
- b) follow the applicable procedures in the Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of Independent Examiner's Statement and scope of work undertaken

Since the charitable company's gross income exceeded £250,000, the charitable company's examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am an authorised member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I report in respect of my examination of the charity's financial statements carried out under s145 of the Act. In carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act setting out the duties of an independent examiner in relation to the conducting of an independent examination. An independent examination includes a review of the accounting records kept by the charitable company and of the accounting systems employed by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you, as Trustees, concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of charity legislation and that, on a test basis of evidence relevant to the amounts and disclosures made, the financial statements comply with the SORP.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the Trustees in the course of the examination is not subjected to audit tests or enquiries and does not cover all the matters that an auditor would consider in arriving at an opinion. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide

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Consequently, I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalising the report I obtained written assurances from the Trustees of all material matters.

Independent Examiner's Statement, Report and Opinion

Subject to the limitations upon the scope of my work as detailed above, I have completed my examination: and can confirm that:-

The accounts of this charitable company are not required to be audited under Part 16 of the Companies Act 2006;

The gross income of the charitable company in the year ended 31 December 2020 appears to exceed the sum specified in Section 145(3) of the Act, namely £250000, and that I am qualified to act as Independent Examiner in accordance with that section by virtue of my being a qualified member of Institute of Chartered Accountants in England and Wales;

This is a report in respect of an examination carried out under 145 of the Act and in accordance with Directions given by the Charity Commission under section 145(5)(b) of the Act which may be applicable;

and that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:-

accounting records were not kept in respect of the charity as required by Section 386 of the Companies Act 2006 and Section 130 of The Charities Act 2011;

the financial statements do not accord with those records; or

the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view, which is not a matter considered as part of an independent examination;

have not been prepared in accordance with the methods and principles set out in the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Signed:-



S Issadeen - Independent Examiner

Institute of Chartered Accountants in England and Wales

1 Tylecroft Road

London

SW16 4BL

This report was signed on 30 October 2021

Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2020

Statement of Financial Activities (including the Income and Expenditure Account for the year ended 31 December 2020, as required by the Companies Act 2006)

	SORP Ref	Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Income & Endowments from:					
Donations & Legacies	A1	331,350	-	331,350	273,647
Charitable activities	A2	177,416	-	177,416	181,515
Investments	A4	-	-	-	25
Other	A5	46,012	-	46,012	-
Total income	A	554,778	-	554,778	455,187
Expenditure on:					
Raising funds	B1	10,128	-	10,128	10,127
Charitable activities	B2	536,555	-	536,555	460,510
Total expenditure	B	546,683	-	546,683	470,637
Net income for the year		8,095	-	8,095	(15,450)
Net income after transfers	A-B-C	8,095	-	8,095	(15,450)
Net movement in funds		8,095	-	8,095	(15,450)
Reconciliation of funds:-					
	E				
Total funds brought forward		18,759	5,339	24,098	39,548
Total funds carried forward		26,854	5,339	32,193	24,098

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A Statement of Total Recognised Gains and Losses is included as a primary statement in these accounts.

All the prior year transactions were unrestricted items, and no further analysis is required

All activities derive from continuing operations

The notes attached on pages 14 to 24 form an integral part of these accounts.

Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2020

	SORP Ref	Prior Year Unrestricted Funds 2019 £	Prior Year Restricted Funds 2019 £	Prior Year Total Funds 2019 £
Income & Endowments from:				
Donations & Legacies	A1	273,647	-	273,647
Charitable activities	A2	181,515	-	181,515
Other trading activities	A3	-	-	-
Investments	A4	25	-	25
Other	A5	-	-	-
Total income	A	455,187	-	455,187
Expenditure on:				
Raising funds	B1	10,127	-	10,127
Charitable activities	B2	460,510	-	460,510
Fund raising cost	B3	-	-	-
Tax on surplus on ordinary activities	B3	-	-	-
Other taxation	B3	-	-	-
Total expenditure	B	470,637	-	470,637
Net gains on investments	B4	-	-	-
Net income for the year		(15,450)	-	(15,450)
Transfers between funds	C	-	-	-
Net income after transfers		(15,450)	-	(15,450)
Net movement in funds		(15,450)	-	(15,450)
Reconciliation of funds:-				
Total funds brought forward	E	34,209	5,339	39,548
Total funds carried forward		18,759	5,339	24,098

All activities derive from continuing operations

A Statement of Total Recognised Gains and Losses is included in these accounts as a separate primary statement

The notes attached on pages 14 to 24 form an integral part of these accounts.

Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2020

Statement of Total Recognised Gains and Losses for the year ended 31 December 2020

	2020 £	2019 £
Surplus for the year :-		
Net excess of income over expenditure from operations before tax	(37,917)	(15,450)
Realised gains on disposals of social investments which are programme related	-	-
Other income - Government Grants - CJRS scheme	46,012	-
Income from operations before tax in the Statement of Financial Activities	8,095	(15,450)
Net Movement in funds before taxation	8,095	(15,450)
Funds generated in the year as shown on Statement of Financial Activities	8,095	(15,450)

The notes attached on pages 14 to 24 form an integral part of these accounts.

Resources applied in the year ended 31 December 2020 towards fixed assets for Charity use:-

	2020 £	2019 £
Funds generated in the year as detailed in the SOFA	8,095	(15,450)
Net resources available to fund charitable activities	8,095	(15,450)

In the year there was no material resource applied on fixed assets for charity use.

Movements in revenue and capital funds for the year ended 31 December 2020

Revenue accumulated funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Last year Total Funds 2019 £
Accumulated funds brought forward	18,759	5,339	24,098	39,548
Recognised gains and losses before transfers	8,095	-	8,095	(15,450)
	26,854	5,339	32,193	24,098
Closing revenue funds	26,854	5,339	32,193	24,098

Summary of funds

	Unrestricted and Designated funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Last Year Total Funds 2019 £
Revenue accumulated funds	26,854	5,339	32,193	24,098

The notes attached on pages 14 to 24 form an integral part of these accounts.

Muslim Research and Development Foundation - Statement of Financial Activities for the year ended 31 December 2020

Muslim Research and Development Foundation Income and Expenditure Account for the year ended 31 December 2020 as required by the Companies Act 2006

	2020 £	2019 £
Income		
Income from operations	464,899	408,932
Refunds from HMRC on gift aided donations	43,867	46,230
Investment income		
Interest receivable	-	25
Gross income in the year before exceptional items	508,766	455,187
Exceptional items:		
Furlough grants	46,012	-
Gross income in the year including exceptional items	554,778	455,187
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	536,555	460,510
Fundraising costs	10,128	10,127
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	546,683	470,637
Net income before tax in the financial year	8,095	(15,450)
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	8,095	(15,450)
Retained surplus for the financial year	8,095	(15,450)
All activities derive from continuing operations		

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 14 to 24 form an integral part of these accounts.

Muslim Research and Development Foundation - Balance Sheet as at 31 December 2020

		SORP Note Ref		2020 £	2019 £
Current assets		B			
Debtors	11	B2	30,475	27,390	
Cash at bank and in hand		B4	27,065	8,771	
Total current assets			<u>57,540</u>	<u>36,161</u>	
Creditors: amounts falling due within one year	12	C1	<u>(25,347)</u>	<u>(12,063)</u>	
Net current assets				32,193	24,098
The total net assets of the charity				<u>32,193</u>	<u>24,098</u>
The total net assets of the charity are funded by the funds of the charity, as follows:-					
Restricted funds					
Restricted Revenue Funds	16	D2	5,339	5,339	5,339
				5,339	5,339
Unrestricted Funds					
Unrestricted Revenue Funds	16	D3	26,854	18,759	
				26,854	18,759
Designated Funds					
Total charity funds				<u>32,193</u>	<u>24,098</u>

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 8.

The Financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.



Y Patel

Trustee

Approved by the board of trustees on 30 October 2021

The notes attached on pages 14 to 24 form an integral part of these accounts.

Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2020

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW), effective January 2016.

Going Concern

The charitable activities are entirely dependent on continuing voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these uncertain funding streams. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for period covering 12 months after the date of the approval of these accounts, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. Other than these matters, the Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Risks and future assumptions

The charity is a public benefit entity.

The charity is a public benefit organisation whose key aim is to benefit the public. However as such it is highly dependent on donations and the general public attending educational seminars and outreach programmes it hosts. The Trustees are aware of the financial and economic risk faced by the uncertainty of the UK economy. However the Trustees are confident that the charity will be able to attract the public and raise the awareness to the objectives.

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents donations and income from charitable events it hosts.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably. Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2020

Accounting for deferred income and income received in advance

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned, and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

The income and any associated Gift Aid or other tax refund from a membership subscription received by the charity in the nature of a gift, is accounted for on the same basis as a donation.

Membership subscriptions

The income from a membership subscription received by the charity where the subscription purchases the right to services or benefits is recognised as income from charitable activities.

Policies relating to expenditure on goods and services provided to the charity.

Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated..

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to the grant and the grant will be received. Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough').

The Charity has not directly benefited from any other forms of government assistance.

Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2020

Allocating costs to activities

Direct costs that are specifically related to an activity are allocated to that activity. Shared direct costs and support costs are apportioned between activities.

The basis for apportionment, which is consistently applied, and proportionate to the circumstances, is :-

Staffing - on the basis of time spent in connection with any particular activity.

Premises related costs - on the proportion of floor area occupied by a particular activity.

Non specific support costs - on the basis of the usage of resources, in terms of time taken, capacity used, request made or other measures

Volunteers

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in Note 6.

Policies relating to assets, liabilities and provisions and other matters.

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition. Any item costing less than £500 is not capitalised, it is recognised in the P&L.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Plant and machinery	33 % straight line
Fixtures and fittings	20 % straight line

A regular annual review of the likelihood of asset impairment is undertaken.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Creditors and provisions

Creditors are measured at market value and recognised in the period to which the benefit is consumed by the charity. Provisions are recognised if the value incurred or consumed is certain and the liability is probable.

Pensions - defined contribution schemes

The charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The Charity does not have any Designated funds.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law. The charity has two historic restricted funds. The first is for "Prophetic Timeline" and the second is for the publication of a prayer book.

There are no endowment funds.

Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2020

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Significance of financial instruments to the charity's position

The charity does not have any significant financial instruments.

5 Net deficit/surplus before tax in the financial year

	2020	2019
	£	£
The net deficit before tax in the financial year is stated after charging:-		
Pension costs	490	360

6 The contribution of volunteers

In 2020 volunteers participated with the charity in less capacity due to the lockdown and general pandemic conditions. Volunteers are the major backbone of our work; they are the real providers of the charity's objectives and without them the charity would and could not deliver the activities and services it does. As most of our services and activities went online, we utilised our volunteers with experience in online tools. We used over 20 volunteers in helping our core staff in delivering our services. In 2019 we used under 40 volunteers for our retreats and 200 event-based non-permanent volunteers, in 2020 we saw a dramatic reduction.

7 Staff costs and emoluments

Salary costs	2020	2019
	£	£
Gross Salaries excluding trustees and key management personnel	71,401	90,239
Employer's National Insurance for all staff	910	1,473
Employer's operating costs of defined contribution pension schemes	490	360
Total salaries, wages and related costs	72,801	92,072

The estimated full time equivalent number of all staff employed in the year was 5 6

The estimated equivalent number of full time staff deployed in different activities in the year was:-

Engaged on charitable activities	3	3
Engaged on fundraising activities	1	1
Engaged on management and administration	1	2
The estimated full time equivalent number of all staff employed as above	5	6

Mr Y Patel received a salary of £10,200 (2019 £10,250) for his role as a general manager. He did not receive any remuneration for his role as a Trustee.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2020

8 Defined contribution pension schemes

The charity operates a defined contribution pension scheme, the costs of which are charged to the Income statement.

Any liabilities and assets associated with the scheme are shown under debtors and creditors.

9 Remuneration and payments to Trustees and persons connected with them

Mr Y Patel received a salary of £10,200 (2019 £10,250) for his role as a general manager. He did not receive any remuneration for his role as a Trustee.

10 Tangible fixed assets

<i>Current Year</i>	Plant & Machinery	Fixtures and Fittings	Total
	£	£	£
Cost			
At 1 January 2020	10,369	1,528	11,897
Disposals	- (10,369)	(1,528)	(11,897)
At 31 December 2020	-	-	-
Depreciation			
At 1 January 2020	10,369	1,528	11,897
On disposals	- (10,369)	(1,528)	(11,897)
At 31 December 2020	-	-	-
Net book value			
At 31 December 2020	-	-	-

11 Debtors: due within one year

	2020	2019
	£	£
Prepayments and accrued income	28,465	20,155
Other debtors	2,010	7,235
	30,475	27,390

Other debtors are repayable on demand and have no formal repayment date, and thus recognised as due within one year.

12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	6,400	10,674
Accruals	1,250	1,250
Other creditors	17,697	139
	25,347	12,063

Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2020

13 Income and Expenditure account summary	2020	2019
	£	£
At 1 January 2020	24,098	39,548
Surplus after tax for the year	8,095	(15,450)
At 31 December 2020	32,193	24,098

14 No related party transactions

There were no transactions with related parties in the year , except with regard to trustees' remuneration, trustees' expenses.

15 Particulars of how particular funds are represented by assets and liabilities

At 31 December 2020	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Current Assets	52,201		5,339	57,540
Current Liabilities	(25,347)	-	-	(25,347)
	26,854	-	5,339	32,193
At 1 January 2020	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Current Assets	30,822	-	5,339	36,161
Current Liabilities	(12,063)	-	-	(12,063)
	18,759	-	5,339	24,098

16 Change in total funds over the year as shown in Note 15 , analysed by individual funds

	Funds brought forward from 2019	Movement in funds in 2020	Transfers between funds in 2020	Funds carried forward to 2021
	£	See Note 17 £	See Note 0 £	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	18,759	8,095	-	26,854
Total unrestricted and designated funds	18,759	8,095	-	26,854
Restricted funds:-				
Total restricted funds	5,339	-	-	5,339
Total charity funds	24,098	8,095	-	32,193

Muslim Research and Development Foundation

Notes to the Accounts for the year ended 31 December 2020

17 Analysis of movements in funds over the year as shown in Note 16

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2020	2020	2020	2020
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	554,778	(546,683)	-	8,095
	554,778	(546,683)	-	8,095

18 The purposes for which the funds as detailed in note 16 are held by the charity are:-

Unrestricted and designated funds:-

Unrestricted Revenue Funds

These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.

Restricted funds:-

Restricted funds:-

The Restricted fund represents donations specifically given for the "Prophetic Timeline" program and for the publication of a "Dua Book". Once these activities are completed the Charity has been permitted by the Donors to use the funds on its other charitable activities.

19 Ultimate controlling party

The charity is under the control of its legal members.

Every member of the charity is obliged to contribute such amount as may be required not exceeding £10 to the assets of the company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Muslim Research and Development Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2020 as required by the SORP 2015

This analysis is classsified by conventional nominal descriptions and not by activity.

20 Donations, Grants and Legacies

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts from individuals				
Small donations individually less than £1000	287,483	-	287,483	227,417
Refunds from HMRC on gift aided donations	43,867	-	43,867	46,230
Total donations and gifts from individuals	331,350	-	331,350	273,647
Total Donations, Grants and Legacies				
Total Donations, Grants and Legacies A1	331,350	-	331,350	273,647

21 Income from charitable activities - Trading Activities

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total funds
	2020	2020	2020	2019
	£	£	£	£
Primary purpose and ancillary trading				
Education income	177,416	-	177,416	181,515
Total Primary purpose and ancillary trading	177,416	-	177,416	181,515

23 Investment income

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2020	2020	2020	2019
	£	£	£	£
Bank Interest Receivable	-	-	-	25
Total investment income A4	-	-	-	25

Muslim Research and Development Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2020 as required by the SORP 2015

24 Other income and gains

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2020	2020	2020	2019
		£	£	£	£
Furlough grants		46,012	-	46,012	-
Total other income	A5	46,012	-	46,012	-

25 Expenditure on charitable activities - Direct spending

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2020	2020	2020	2019
		£	£	£	£
Gross wages and salaries - charitable activities		42,660	-	42,660	63,098
Employers' NI - Charitable activities		910	-	910	1,351
Defined contribution pension costs - charitable activities		490	-	490	360
Marketing and advertising of charitable services		80,889	-	80,889	46,515
Total direct spending	B2a	124,949	-	124,949	111,324

26 Expenditure on charitable activities - Charitable trading

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2020	2020	2020	2019
		£	£	£	£
Cost of goods for primary purpose trading - Including movement in stock		314,469	-	314,469	260,279
Total charitable trading costs	B2b	314,469	-	314,469	260,279

Muslim Research and Development Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2020 as required by the SORP 2015

27 Support costs for charitable activities

<i>Current Year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2020	2020	2020	2019
	£	£	£	£
<i>Employee costs not included in direct costs</i>				
Salaries - Administrative staff	28,741	-	28,741	27,141
Employers' NI - Administrative staff	-	-	-	122
<i>Premises Expenses</i>				
Licence fees payable	37,400	-	37,400	46,960
Rates and water charges	1,909	-	1,909	2,634
Light heat and power	3,212	-	3,212	1,231
Cleaning and waste management	(210)	-	(210)	3,395
Storage	16,621	-	16,621	335
<i>Administrative overheads</i>				
Telephone, fax and internet	1,267	-	1,267	976
Stationery and printing	63	-	63	29
Sundry expenses	-	-	-	724
Office consumables	814	-	814	2,958
<i>Professional fees paid to advisors other than the auditor or examiner</i>				
Accountancy fees other than examination or audit fees	1,250	-	1,250	1,250
Consultancy fees	6,070	-	6,070	1,152
Support costs before reallocation	97,137	-	97,137	88,907
Total support costs - Current Year	97,137	-	97,137	88,907

The basis of allocation of costs between activities is described under accounting policies

All the expenditure in the prior year was unrestricted.

Administrative overheads

The basis of allocation of costs between activities is described under accounting policies

Muslim Research and Development Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2020 as required by the SORP 2015

28 Total Charitable expenditure

<i>Current Year</i>		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2020	2020	2020	2019
		£	£	£	£
Total direct spending	B2a	124,949	-	124,949	111,324
Total charitable trading costs	B2b	314,469	-	314,469	260,279
Total support costs	B2d	97,137	-	97,137	88,907
Total charitable expenditure	B2	536,555	-	536,555	460,510

All the expenditure in the prior year was unrestricted.

<i>Prior Year</i>		Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds	
		2019	2019	2019	
		£	£	£	
Total direct spending	B2a	111,324	-	111,324	
Total charitable trading costs	B2b	260,279	-	260,279	
Total support costs	B2d	88,907	-	88,907	
Total charitable expenditure	B2	460,510	-	460,510	

29 Expenditure on raising funds and costs of investment management

<i>Current Year</i>		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2020	2020	2020	2019
		£	£	£	£
Fundraising publicity & marketing		10,128	-	10,128	10,127
Total fundraising costs	B1	10,128	-	10,128	10,127

All the expenditure in the prior year was unrestricted.