

Company Registered number: 07031673
Charity Registered number: 1137219

CAMBRIDGE MUSLIM COLLEGE LIMITED
(A company limited
by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 AUGUST 2023

CAMBRIDGE MUSLIM COLLEGE LIMITED
(A company limited by guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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CAMBRIDGE MUSLIM COLLEGE LIMITED
(A company limited by guarantee)
COMPANY INFORMATION

Trustees

Professor Muhammad Abdel Haleem (resigned 11 March 2023)
Professor Lejla Demiri
Dr Ali Almihtar
Dr Sohaira Zahid Siddiqui
Dr Timothy Winter
Mr Mustafa Davies
Dr Haroon Sidat
Mrs Fozia Irfan (resigned 14 October 2023)
Mrs Aishah Sameem (appointed 11 March 2023)

MANAGEMENT

Principal - Dr Abdallah Rothman (resigned 23 June 2023)
Chief Executive – Professor Joel Hayward (appointed 24 July 2023)

COMPANY REGISTERED NUMBER

07031673 (England and Wales)

CHARITY REGISTERED NUMBER

1137219 (England and Wales)

REGISTERED OFFICE

14 St Paul's Road
Cambridge
CB1 2EZ

AUDITORS

Chater Allan LLP
Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

PRINCIPAL BANKERS

HSBC Bank PLC
63-64 St Andrews Street
Cambridge
CB2 3BZ

SOLICITORS

Ashton Legal Solicitors Cambridge
Chequers House
77-81 Newmarket Road
Cambridge
CB5 8EU

CAMBRIDGE MUSLIM COLLEGE LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Trustees/Directors

The Trustees are pleased to present the Trustees Report together with the financial statements of Cambridge Muslim College ("the College", "the Charity", or "the Company") for the year ended 31 August 2023, which are prepared to meet the requirements for the Directors' Report and accounts for the purposes of the Companies Act. Members of the Board of Trustees are 'Directors' for the purposes of company law, and 'Trustees' for the purpose of charity law. They will be referred to as Trustees throughout this document and for the purposes of the financial statements.

DIRECTORS AND MEMBERS OF THE BOARD OF TRUSTEES

The Directors and Members of the Board of Trustees who served during the year can be found under the Company Information section (page 1).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Memorandum and Articles of Association Incorporated 28 September 2009.

Appointment of trustees

Trustees are elected by simple majority. Candidates must be nominated by a member entitled to vote, not less than fourteen, nor greater than thirty-five days before the date of the meeting. Such nominations are to be signed by the nominator and the nominee, accompanied by all details required by Companies house and the Charity Commission for England and Wales.

New trustees are made familiar with the College's operations and other issues relevant to the Trustees' duties.

Risk management

The agenda of each Annual General Meeting contains an item under which the trustees consider potential risks faced by the College. Material areas of concern are presented below:

Liquidity risk

Through linking its reserves policy to short and long-term reporting, including monthly cash flow statements and weekly cash reporting, the College ensures that it maintains its cash reserves to meet immediate financial demands.

Donations

A significant portion of the College's income comes from individual donors. Thus, the Development team works to shift one-off donations to regular support through its Friends and Patrons programme. Aligned with the College's strategic plan, the senior leadership team, in collaboration with Trustees, actively seek to secure long-term funding to ensure sustainable growth.

Staff retention and recruitment

The College's success is contingent upon the calibre of its faculty and support staff. Using prominent recruitment agencies and social platforms, the College identifies and hires individuals capable of realising its vision and mission.

Further, by fostering open communication, implementing thorough annual appraisals and work plans, and arranging staff engagement activities throughout the year, the College aims to create an environment where staff feel valued and take pride in their work.

CAMBRIDGE MUSLIM COLLEGE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Health and safety

Regular, systematic efforts are undertaken to maintain a safe environment at the College for students, staff, and guests. Whilst adhering to legislative health and safety guidelines, the College ensures ongoing staff awareness and training, supplemented by periodic external audits.

Arrangements for setting pay and remuneration of key management personnel

In 2022, the College engaged a reputable Rewards company to conduct a comprehensive review and formalise the remuneration structure for staff. This initiative involved a thorough analysis of data sourced from both the Higher Education (HE) and charity sectors. Utilising the insights gained, the College has formulated pay ranges that encompass diverse job roles and associated hierarchical levels, delineating clear pathways of professional progression. With approval from the Board of Trustees, this bespoke pay scale will undergo regular updates to stay abreast of evolving market trends and inflationary changes, thereby ensuring a steadfast commitment to fair remuneration for all staff.

Day to day delegation of management

Operating under the overarching guidance of the Board of Trustees, the College management team, formerly led by the Principal, is responsible for executing and supervising the day-to-day operational activities. Within the fiscal year, the College has been fortunate to secure the services of a highly skilled and accredited Chief Executive, who will play a pivotal role in propelling the College forward into the new financial year and beyond.

OBJECTIVES AND ACTIVITIES

The College endeavours to advance the religion of Islam for the public benefit, in accordance with the beliefs and practices of the four recognised Sunni schools of thought. It strives to provide education and training to Muslim leaders and scholars to work in the United Kingdom and elsewhere, and through this, to promote and advance religious and racial harmony within the United Kingdom.

PUBLIC BENEFIT

The College welcomes applications from both genders and intends to enhance greater participation by women in the life of the Muslim community. With the aim to facilitate access to higher education among its graduates, the College admits students based on merit alone, regardless of one's financial need. To this effect, after careful consideration, and with the help of trusted partners and donors, the College has been able to provide full financial assistance to an average of £180,000 to 30 students, which spans from tuition fees and/or accommodation and living cost.

Serving not only the interests of the Muslim community, the College encourages Muslim faith leaders to play a leading part in building bridges with other religious groups, in order to enhance social cohesion and mobility, and to overcome negative perceptions of Muslims in society.

REVIEW OF ACTIVITIES

The College has revised and successfully relaunched its flagship Diploma in Contextual Islamic Studies and Leadership. Following a thorough review of feedback from previous cohorts and a feasibility study, the academic team has updated the curriculum to align with the needs of prospective applicants. Admissions for this program have progressed smoothly, and students commenced their studies in September 2023.

The second cohort of students in our BA in Islamic Studies, accredited by the Open University, has successfully concluded their studies. Following graduation, many are embarking on further academic pursuits both domestically and internationally, while others are exploring avenues to apply their

CAMBRIDGE MUSLIM COLLEGE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

knowledge for the betterment of their local communities. Meanwhile, the third cohort of BA students have commenced their penultimate year in September 2023. They are very much looking forward to the year ahead with their peers on the Diploma programme. Officially revalidated by the Open University for the next four years, the College continues to thrive in the academic realm, with commendable satisfaction expressed by our academic advisors regarding the institution's ongoing evolution.

Our Postgraduate Diploma in Islamic Psychology remains highly sought after and successful. The admissions team have been very busy with the third round of enrolments, and an overwhelming number of applications. Graduates from prior cohorts are applying their training professionally, with some contributing to ongoing research within the College. Additionally, we have introduced student support roles, filled by graduates from previous cohorts, to assist current students.

With applications open for all three programmes this year for the very first time in College history, we marked this milestone in our Ramadan campaign. Setting out to Educate, Elevate, and Illuminate our global audience, we provided a unique opportunity for viewers to "learn with us" and be part of College life.

Outside our core academic programmes, this year also marked the successful culmination of the research project, "Beyond Foundationalism: New Horizons in Muslim Analytic Theology," funded by the John Templeton Foundation and supported by the Aziz Foundation. This project explored the historical development and contemporary state of Muslim analytic epistemology, resulting in two single-author books, a collected volume, and three journal articles. Our commitment to research continues through regular seminars at the College, attracting a growing audience from the broader Cambridge research community and the public.

The College has continued in its pursuit of online course offerings, introducing a new course this year titled "What is Sufism?" The course has received much popularity, with a live Q&A session conducted by our lecturer for participants to engage further with the content. Additionally, keeping with College standards, we have hosted several public lectures and events (both online and in person) featuring internationally renowned speakers across various subject areas. In an effort to expand our outreach, additional online courses are in development, serving as an effective showcase for prospective full-time students and potential Patrons, Donors & supporters.

To conclude our year, the College is honoured to have welcomed its new Chief Executive. This change does not signify a reduction in our dedication to academic excellence but rather represents a strategic reconfiguration aimed at elevating our academic programmes, enhancing professionalism, and ensuring efficient operations as we pursue our long-term strategic goals. Furthermore, we are privileged to have our outgoing Principal redirect his focus from administration to the continued success and development of the Online Diploma in Islamic Psychology, contributing to the ongoing degrees of excellence within the College.

FINANCIAL REVIEW

Incoming resources for the year amounted to £1,587,208 (2022: £2,716,808), which was mainly comprised of donations. Expenditure amounted to £1,755,987 (2022: £1,320,458), mainly on staffing, scholarships and educational resources.

The closing balance of total reserves is £7,562,935 which has decreased from £7,736,190 from the previous year. Restricted reserves totalled £nil, a decrease of £963,595 from the previous year.

The College is dependent on donated income, which by its nature is uncertain. The Trustees aim to have a reserve level of approximately 4-6 months of expenditure. This is slightly higher if income was more certain. Unrestricted expenditure for 4-6 months is estimated between £546,000-£819,000. Free reserves at the end of the year were £717,444.

CAMBRIDGE MUSLIM COLLEGE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

PLANS FOR FUTURE PERIODS

Following a period of rapid growth, The College will adopt a steady and measured approach to the coming year, focussing on consolidation and the refinement of operational procedures. Internal priorities include, strengthening governance, enhancing management efficiency, and ensuring cross departmental quality assurance, laying a robust foundation for future developments.

In early 2024, the College will begin to plan for the next five years, focussing on upholding and augmenting the quality and reputation of its academic programmes. It will further incorporate the recent acquisition of its new College site; integrating it into daily operations, leveraging its use to enhance academic offerings and expand income-generating activities. Moreover, with the recognition that financial stability is vital, as part of the five-year plan, the College will also pursue further sponsorships and donations, seek to establish an endowment, and modularise parts of its existing programmes as income-generating short courses under the heading of Continuing Education.

GOING CONCERN

The financial statements of the College have been prepared on the going concern basis, which the Trustees believe to be appropriate.

With the recruitment of our CEO, the trustees are confident that with great leadership the College will be able to expand its programme offering and enhance the development of existing programmes. The College is exploring opportunities to diversify its income streams, seeking a more sustainable approach to income generation, and aspiring to establish an endowment as a key component of its strategic plan.

The going concern assumption is supported by the Trustee review of the College's cash flow for the forthcoming period of 12 months from the 31 August 2023.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income, expenditure and financial activities of the charity for that year. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CAMBRIDGE MUSLIM COLLEGE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Chater Allan LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report, which has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small entities.

This report was approved by the Trustees on 9th December 2023 and signed on their behalf, by:

Dr Timothy Winter
.....

Dr Timothy Winter
Chair of the Board of Trustees

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CAMBRIDGE MUSLIM COLLEGE LIMITED
(A company limited by guarantee)**

Opinion

We have audited the financial statements of Cambridge Muslim College, (the charitable company) for the year ended 31 August 2023 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CAMBRIDGE MUSLIM COLLEGE LIMITED
(A company limited by guarantee)**

Other information (continued)

We have nothing to report in this regard.

Matters on which we are to required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- The charitable company has not kept adequate accounting records; or
- The Financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require of our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that act

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the charitable company through discussions with Directors and other management, and from our knowledge and experience of the education sector;
- We obtained an understanding of the legal and regulatory framework applicable to the charitable company and how it is complying with that framework;
- We obtained an understanding of the charitable company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CAMBRIDGE MUSLIM COLLEGE LIMITED
(A company limited by guarantee)**

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reviewing minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.

Through the above procedures, we did not become aware of any actual or suspected non-compliance with laws and regulations. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors report

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Naomi Hedger

Naomi Hedger (Senior Statutory Auditor)
For and on behalf of Chater Allan LLP
Chartered Accountants & Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

Date: 07 March 2024

Chater Allan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CAMBRIDGE MUSLIM COLLEGE LIMITED**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the Income and Expenditure Account)****FOR THE YEAR ENDED 31 AUGUST 2023**

| | Notes | Unrestricted funds | Restricted Fund | 2023 Total Funds | 2022 Total Funds |
|------------------------------------|-------|--------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Income from: | | | | | |
| Grants and donations | 2 | 1,043,006 | 209,070 | 1,252,076 | 2,435,316 |
| Charitable activities | 4 | 212,284 | 19,000 | 231,284 | 233,822 |
| Other trading activities | 3 | 103,848 | - | 103,848 | 47,670 |
| Total income | | <u>1,359,138</u> | <u>228,070</u> | <u>1,587,208</u> | <u>2,716,808</u> |
| Expenditure on: | | | | | |
| Charitable activities | 5 | 1,638,953 | 117,034 | 1,755,987 | 1,320,458 |
| Total expenditure | 7 | <u>1,638,953</u> | <u>117,034</u> | <u>1,755,987</u> | <u>1,320,458</u> |
| Net (losses)/gains on investments | | (4,476) | - | (4,476) | (16,947) |
| Net income/(expenditure) | | <u>(284,291)</u> | <u>111,036</u> | <u>(173,255)</u> | <u>1,379,403</u> |
| Transfer between funds | | 1,074,631 | (1,074,631) | - | - |
| Net movement in funds | | <u>790,340</u> | <u>(963,595)</u> | <u>(173,255)</u> | <u>1,379,403</u> |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 6,772,595 | 963,595 | 7,736,190 | 6,356,787 |
| Total funds carried forward | | <u>7,562,935</u> | <u>-</u> | <u>7,562,935</u> | <u>7,736,190</u> |

Continuing Operations

None of the charity's activities were discontinued during the current or previous year. All of the charity's activities are continuing.

The notes on pages 13 to 19 form part of these financial statements.

CAMBRIDGE MUSLIM COLLEGE LIMITED
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BALANCE SHEET
AS AT 31 AUGUST 2023

Registered number: 07031673

| | Notes | 2023 | 2022 |
|------------------------------------------------|--------------|------------------|------------------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible assets | 10 | 6,797,940 | 5,236,353 |
| Investments | 11 | 47,551 | 51,176 |
| | | <u>6,845,491</u> | <u>5,287,529</u> |
| Current Assets | | | |
| Debtors | 12 | 352,258 | 236,158 |
| Cash at bank and in hand | | 655,660 | 2,546,477 |
| | | <u>1,007,918</u> | <u>2,782,635</u> |
| Liabilities | | | |
| Creditors: amounts falling due within one year | 13 | (290,474) | (333,974) |
| Net Current Assets | | <u>717,444</u> | <u>2,448,661</u> |
| Liabilities | | | |
| Creditors: amounts falling due after one year | | - | - |
| Net Assets | | <u>7,562,935</u> | <u>7,736,190</u> |
| The funds of the charity: | | | |
| Restricted Funds | 15 | - | 963,595 |
| Unrestricted Funds | 15 | 7,562,935 | 6,772,595 |
| Total charity funds | | <u>7,562,935</u> | <u>7,736,190</u> |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the board of directors on 9th December 2023 and signed on its behalf by:

Dr Timothy Winter

Dr Timothy Winter
Trustee

The notes on pages 13 to 19 form part of these financial statements.

CAMBRIDGE MUSLIM COLLEGE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

| | 2023 £ | 2022 £ |
|----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Cash flows from operating activities: | | |
| Net cash provided by operating activities | <u>(212,104)</u> | <u>1,210,092</u> |
| Cash flows from investing activities: | | |
| Dividends received | (851) | (780) |
| Disposal of investments | - | - |
| Purchase of property, plant, and equipment | (1,677,862) | - |
| Disposals of property, plant, and equipment | - | 345,333 |
| Net cash provided by investing activities | <u>(1,678,713)</u> | <u>344,553</u> |
| Change in cash and cash equivalents in the reporting period | <u>(1,890,817)</u> | <u>1,554,645</u> |
| Cash and cash equivalents at the beginning of the reporting period | 2,546,477 | 991,832 |
| Cash and cash equivalents at the end of the reporting period | <u><u>655,660</u></u> | <u><u>2,546,477</u></u> |
| Cash and cash equivalents at the end of the reporting period | | |
| Cash at bank and in hand | 655,660 | 2,546,477 |
| | <u><u>655,660</u></u> | <u><u>2,546,477</u></u> |
| Reconciliation of net income/(expenditure) to net cash flow from operating activities | | |
| | 2023 £ | 2022 £ |
| Net income/ (expenditure) for the reporting period | (173,255) | 1,379,403 |
| Adjustments for: | | |
| Depreciation charges | 116,275 | 107,062 |
| (Gains)/losses on investments | 4,476 | 16,947 |
| (Increase)/decrease in debtors | (116,100) | (211,586) |
| Increase/(decrease) in creditors | (43,500) | (81,734) |
| Net cash provided by operating activities | <u><u>(212,104)</u></u> | <u><u>1,210,092</u></u> |

CAMBRIDGE MUSLIM COLLEGE LIMITED
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) and the Companies Act 2006.

Cambridge Muslim College meets the definition of a public benefit entity under FRS 102.

The presentation currency of the financial statements is the Pound Sterling (£).

1.2 Company status

The company is limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.2.1 Companies Act 2006

These financial statements have been prepared in accordance with the Companies Act 2006 with amendments to enhance the "True and Fair" view. The inclusion of an Income and Expenditure account is not deemed necessary as the information is disclosed in the Statement of Financial Activities

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the direction of the trustees in the furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting years; or
- The donor has imposed conditions, which must be met before the charity has unconditional entitlement.

Investment income is included when receivable.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Expenditure includes any VAT which cannot be fully recovered.

CAMBRIDGE MUSLIM COLLEGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

1.6 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Creditors and provisions

Creditors and provisions are recognised where Cambridge Muslim College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.8 Going concern

The Trustees have a reasonable expectation that the college has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe the college is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|-------------------------|-----------------------------|
| Land | Not depreciated |
| Building | 2% per annum straight line |
| Furniture and equipment | 25% per annum straight line |

The Trustees have estimated the value of land in proportion to the land and building and have considered that an estimate of 20% of the original purchase costs is reasonable and should not be depreciated.

1.10 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening carrying value (purchase date if later).

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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| | Unrestricted funds | Restricted Fund | 2023 Total | 2022 Total |
|----------------------------------|-----------------------|--------------------|------------------|------------------|
| | £ | £ | £ | £ |
| 2. DONATIONS AND LEGACIES | | | | |
| Donations | 1,043,006 | 209,070 | 1,252,076 | 2,435,316 |
| | <u>1,043,006</u> | <u>209,070</u> | <u>1,252,076</u> | <u>2,435,316</u> |

3. TRADING ACTIVITIES

| | | | | |
|--------------------------|----------------|----------|----------------|---------------|
| Rental income | 63,399 | - | 63,399 | 46,196 |
| Other trading activities | 40,449 | - | 40,449 | 1,474 |
| | <u>103,848</u> | <u>-</u> | <u>103,848</u> | <u>47,670</u> |

4. INCOME FROM CHARITABLE ACTIVITIES

| | | | | |
|------------------------|----------------|---------------|----------------|----------------|
| Education and teaching | 212,284 | 19,000 | 231,284 | 233,822 |
| | <u>212,284</u> | <u>19,000</u> | <u>231,284</u> | <u>233,822</u> |

5. CHARITABLE EXPENDITURE AND GOVERNANCE COSTS

| | | | | |
|-------------------------------------------------|------------------|----------------|------------------|------------------|
| Education and teaching (including depreciation) | 903,522 | 117,034 | 1,020,556 | 641,072 |
| Support costs (note 6) | 728,431 | - | 728,431 | 674,026 |
| Governance costs | 7,000 | - | 7,000 | 5,360 |
| | <u>1,638,953</u> | <u>117,034</u> | <u>1,755,987</u> | <u>1,320,458</u> |

The charity incurs support costs in the form of fundraising and administration costs and are allocated on a 50:50 basis between charitable activities and other general activities.

6. SUPPORT COSTS

| | | | | |
|--------------------------|----------------|----------|----------------|----------------|
| Education and teaching | 364,216 | - | 364,216 | 337,013 |
| Other general activities | 364,216 | - | 364,216 | 337,013 |
| | <u>728,431</u> | <u>-</u> | <u>728,431</u> | <u>674,026</u> |

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7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

| | Staff costs | Depreciation & Amortisation | Other Costs | 2023 Total | 2022 Total |
|-------------------------------|--------------------|----------------------------------------|--------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Education, teaching and admin | 408,184 | 116,275 | 496,097 | 1,020,556 | 641,072 |
| Support costs | 344,853 | - | 383,578 | 728,431 | 674,026 |
| Governance costs | - | - | 7,000 | 7,000 | 5,360 |
| | <u>753,037</u> | <u>116,275</u> | <u>886,675</u> | <u>1,755,987</u> | <u>1,320,458</u> |

8. NET INCOME

| | 2023 | 2022 |
|-----------------------------------------------------------------|----------------|----------------|
| | £ | £ |
| The excess of expenditure over income is stated after charging: | | |
| Depreciation of fixed assets - owned by the charity | 116,275 | 107,062 |
| Auditors' remuneration | 7,000 | 5,360 |
| | <u>123,275</u> | <u>112,422</u> |

9. STAFF COSTS

| | 2023 | 2022 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 658,118 | 486,155 |
| Social security costs | 70,216 | 48,416 |
| Other pension costs | 24,703 | 14,780 |
| | <u>753,037</u> | <u>549,351</u> |

The average monthly number of employees during the year was as follows:

| | 2023 | 2022 |
|------------------------------------------|-------------|-------------|
| Project workers and administrative staff | <u>16</u> | <u>13</u> |

One employee received remuneration greater than £60,000 in this year (2022: one)

Two trustees received reimbursement of travelling expenses totalling £521.

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10. TANGIBLE FIXED ASSETS

| | Freehold Land and Buildings £ | Furniture & Equipment £ | Total £ |
|-------------------------|--------------------------------------------------|--------------------------------------------|--------------------|
| Cost: | | | |
| At 1 September 2022 | 5,917,113 | 54,644 | 5,971,757 |
| Additions | 1,649,644 | 28,218 | 1,677,862 |
| Disposals | - | - | - |
| At 31 August 2023 | <u>7,566,757</u> | <u>82,862</u> | <u>7,649,619</u> |
| Depreciation: | | | |
| At 1 September 2022 | 680,760 | 54,644 | 735,404 |
| Charge for year | 114,086 | 2,189 | 116,275 |
| Elimination on disposal | - | - | - |
| At 31 August 2023 | <u>794,846</u> | <u>56,833</u> | <u>851,679</u> |
| Net book value: | | | |
| At 31 August 2023 | <u>6,771,911</u> | <u>26,029</u> | <u>6,797,940</u> |
| At 31 August 2022 | <u>5,236,353</u> | <u>-</u> | <u>5,236,353</u> |

Fixed assets are all used for charitable purposes.

11. INVESTMENTS

| | 2023 £ | 2022 £ |
|---------------------------|-------------------|-------------------|
| At 1 September 2022 | 51,176 | 67,343 |
| Additions | 851 | 780 |
| Disposals | - | - |
| Realised gains/(losses) | - | - |
| Unrealised (losses)/gains | (4,476) | (16,947) |
| At 31 August 2023 | <u>47,551</u> | <u>51,176</u> |

The historical cost of the investments at 31 August 2023 was £33,101.

12. DEBTORS

| | 2023 £ | 2022 £ |
|--------------------------------|-------------------|-------------------|
| Prepayments and accrued income | 238,348 | 108,685 |
| Other debtors | 113,910 | 127,473 |
| | <u>352,258</u> | <u>236,158</u> |

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| | 2023 | 2022 |
|-----------------------------------------------------------|----------------|----------------|
| | £ | £ |
| 13. CREDITORS: amounts falling due within one year | | |
| Social security and other taxes | 15,198 | 22,723 |
| Other creditors | 23,446 | 16,402 |
| Accruals and deferred income | 251,830 | 294,849 |
| | <u>290,474</u> | <u>333,974</u> |

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds | Restricted Funds | 2023 Total | 2022 Total |
|---------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Fixed assets | 6,845,491 | - | 6,845,491 | 5,287,529 |
| Current assets | 1,007,918 | - | 1,007,918 | 2,782,635 |
| Current liabilities | (290,474) | - | (290,474) | (333,974) |
| | <u>7,562,935</u> | <u>-</u> | <u>7,562,935</u> | <u>7,736,190</u> |

15. MOVEMENT IN FUNDS

| | At 1 September 2022 | Incoming Resources | Outgoing Resources | Transfers | At 31 August 2023 |
|--------------------------|------------------------------------|-------------------------------|-------------------------------|--------------------|----------------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted Funds | 6,772,595 | 1,359,138 | (1,643,429) | 1,074,631 | 7,562,935 |
| Restricted Funds: | | | | | |
| COSARAF Fund | - | 4,000 | (4,000) | - | - |
| BCI | 121 | - | - | (121) | - |
| Randeree | - | 28,260 | (28,260) | - | - |
| Al Tarmidhi Foundation | 616 | - | - | (616) | - |
| Templeton | - | 68,859 | (63,774) | (5,085) | - |
| Alassar | 2,400 | 15,000 | (15,000) | (2,400) | - |
| University of Birmingham | 15,000 | - | - | (15,000) | - |
| 20 Cambridge Place | 945,458 | 105,951 | - | (1,051,409) | - |
| | <u>963,595</u> | <u>222,070</u> | <u>(111,034)</u> | <u>(1,074,631)</u> | <u>-</u> |
| Total funds | <u>7,736,190</u> | <u>1,581,208</u> | <u>(1,754,463)</u> | <u>-</u> | <u>7,562,935</u> |

16. Restricted Funds

COSARAF -The Donation will be used to fund one scholarship per academic year for the BA (Hons) in Islamic Studies at the Cambridge Muslim College. The scholarship will be known as the Sheikh Family Scholarship.

BCI - All the course costs (eg. tuition, accommodation, living, materials etc.) of a student selected by the College.

Randeree - Tuition fees and related costs of designated students (excluding support they are getting from other external scholarships).

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16. Restricted Funds (continued)

Al Tarmidhi Foundation - Tuition fees and living costs of one student.

Templeton - Defined research activity.

Alassar - Tuition and/or accommodation for financially needy students of any programme.

University of Birmingham - Grant associated with the Global Philosophy of Religion project

20 Cambridge Place - Donations towards the expansion of the College through a building purchase.

17. SHARE CAPITAL

The company is limited by guarantee and as such has no share capital.

18. RELATED PARTY TRANSACTIONS

The charity is not controlled by any one individual. During the year there were no material related party transactions except for those already disclosed in note 9.

19. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted Fund £ | 2022 Total funds £ |
|------------------------------------|-------------------------------------|----------------------------------|-----------------------------------|
| Income from: | | | |
| Donations and legacies | 1,182,707 | 1,252,609 | 2,435,316 |
| Charitable activities | 229,822 | 4,000 | 233,822 |
| Other trading activities | 47,670 | - | 47,670 |
| Total income | 1,460,199 | 1,256,609 | 2,716,808 |
| Expenditure on: | | | |
| Charitable activities | 1,055,053 | 265,405 | 1,320,458 |
| Total expenditure | 1,055,053 | 265,405 | 1,320,458 |
| Net (losses)/gains on investments | (16,947) | - | (16,947) |
| Net income/(expenditure) | 388,199 | 991,204 | 1,379,403 |
| Transfer between funds | 92,201 | (92,201) | - |
| Net movement in funds | 480,400 | 899,003 | 1,379,403 |
| Reconciliation of funds: | | | |
| Total funds brought forward | 6,292,195 | 963,595 | 6,356,787 |
| Total funds carried forward | 6,772,595 | 1,862,598 | 7,736,190 |