

Charity Registration No. 1156440

**MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Mr. S Ahmad	
	Mr. S Alim	
	Dr. A S Billoo	
	Mr. S M Shaikh	
	Mr. T Shaikh	
	Mr. Y M Shaikh	
	Ms. S T Sheikh	
	Dr. H P Ahmad	
	Mr R Mohammed Hadi	(Appointed 7 December 2021)
Charity number	1156440	
Principal address	30 Oakthorpe Road London N13 5JL	
Independent examiner	JF Francis Ltd Francis House 2 Park Road Barnet Hertfordshire EN5 5RN	

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# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

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# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## TRUSTEES' ANNUAL REPORT REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

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The trustees present their report and unaudited financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 of these financial statements.

#### Objectives and activities

The aims and objectives of the charity are:

1. To advance the religion of Islam for the benefit of the public through:
  - The holding of prayer meetings, lectures and public celebration of religious festivals.
  - The provision of a place of public religious worship and education by persons professing the religion of Islam.
  - The provision of marriage and funeral services in accordance with Islamic rites.
  - The production and/or distribution of literature on Islamic belief and practice to help educate the public about the religion of Islam.
2. The specific education of the general public in Quranic, Islamic studies and Arabic.
3. To develop the capacity and skills focusing on, but not restricting to, members of the socially and economically disadvantaged Muslim community primarily in the London Boroughs of Enfield and Barnet and also some areas of Hertfordshire in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society. And to help the needy and vulnerable inside UK and around the world via, feeding the homeless and supporting sustainable projects.

#### Public Benefit Statement

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

In setting out the objectives and planning the activities, the trustees have given careful consideration to complying with the duty in Section 17 of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission. All our projects and services have continued to grow as well as some new, benefitting many more of the community.

In keeping with MCEC's objectives we continue to develop our facilities for worship and we now provide full facilities for all daily prayer sessions as well as prayers for special occasions. The number of people attending the daily and Friday prayers has increased. It is estimated that around 2,000 people continue to pass through Masjid doors every week, with nearly 1,200 on Friday's (Jumah) prayer and on Ramadan days. To accommodate nearly 10,000 worshipers during the Eid/festival prayers, we had five separate Eid prayers in one day for both Eid during the reporting period. Each prayer housed around 2,000 people, including families, business holders and individual worshipers. To reach all the Muslims in the area, our Imams deliver their regular sermons and classes on Islamic knowledge subjects in English.

This every year's joy and sense of community was affected due to Covid and Mosque closure during the month of Ramadan and consequently, there were no Eid gatherings (end of May 2020). Very cautiously once things re-opened with social distancing and a limited number allowed to pray, Eid-ul-Adha (festive of sacrifice) which was at the end of July 2020, we started slowly letting very limited people in for the prayers. Adhering to all governmental guidelines on Covid and our regularly updated Risk Assessment's requirements.



# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## TRUSTEES' ANNUAL REPORT REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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More coordinated support is given in the form of Question & Answer sessions and Educational tours provided to new and Non-Muslims designed purposefully to suit their needs. We have introduced Fatwa services; where people can ask the scholars for religious advice either directly within a group, via email or meet in person. We offer this scholarly religious aware to RE teachers and school staff so they better understand about the religion of Islam and the student's needs. In coordination with local schools, we train the trainers, educate the school staff and teachers and try to enhance their awareness on Islam and its similarities with other faiths specially the Abrahamic faiths, Judaism and Christianity.

Islamic marriage ceremonies, informal marital dispute resolution in forms of counselling and individually-customised religious advisory sessions are performed regularly at the Centre, as a result of these good reminders of marital responsibilities families finds peace and harmony in their households.

Our facilities for Islamic funeral preparations and prayers are now well established. Bereaved families receive guidance, advice and help from the time when someone dies up to very dignified burial.

The Parents & Toddlers group continues to run smoothly under the supervision of some dedicated sisters. Weekly Ladies Quranic class are well attended and a new ladies keep fit class, where women are having fitness lessons under a qualified instructor, and a further four evening classes on religious topics for adults on a weekly basis. All counselling and classes are offered without charge. Again, this service was at halt due to Covid.

#### **MCEC Supplementary Schools:**

More than 250 children, from the local mainstream schools, attend the MCEC Saturday school and our Hifz (memorisation) class.

Many children are on the waiting lists for both the schools; this shows the quality of our education provision and demand for these services.

The ethos of the school is to provide Islamic education and understanding of social and moral responsibilities for young Muslim boys and girls in a caring and open environment. We encourage our students to strive for knowledge and skills that will help them to become good British citizens. Respecting the free will of individuals, pluralism of Islam, interfaith and humanitarian common grounds are the main ethos echoed to the children throughout the assemblies and in the classrooms.

Due to the Covid-19 and consequently governmental safety guidelines, that come into effect, the management team and Covid team assessed the situation and most of the teachings were shifted to online learning using M.S Teams. This was a learning journey for students, staff and parents; however, all the students were involved in the learning. Students did progress on all fronts and everyone involved gave positive feedback.

Once face to face teaching resumed, Saturday School related risk assessments were conducted, Covid related policy was drafted and later implemented outlining how MCEC Supplementary School and Hifz class will operate under the new Covid restrictions and safeguarding children. This was carefully implemented and was on constant review.

Since then, we have followed the government guidelines related to Covid measures, completed our risk assessments and ensure students were appreciated for their hard work and efforts.

# **MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)**

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

***FOR THE YEAR ENDED 31 MARCH 2021***

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### **MCEC Funeral Service:**

Between the dates of March 2020-April 2021, we at MCEC conducted 120 funerals, which also included funeral services for the Covid deceased as well as the more typical causes of death, e.g. cancer or other health issues.

During the Covid pandemic, the funeral team led by Sabir Shaikh worked extremely hard to ensure the services continued and our community needs were not affected in any manner. While we saw, the Covid fears as a stressful time for the families, we at MCEC could cater for all their requests.

The team followed both medical and religious guidelines to ensure they were protected and kept safe.

Due to the hard work and efforts of the management and team, Her Majesty the Queen the British Empire Medal award for his hardworking services and contribution to the community has awarded to Mr Sabir Shaikh.

### **MCEC Social Media:**

Our online presence demand increased during the Covid pandemic, with online reminders, lectures, posts and articles being featured on our platforms and website. The platforms included – WhatsApp, Telegram, Instagram and Facebook.

During the year we connected with individuals locally and globally, sharing our services, reminders and ensuring the community was protected and kept safe at all times.

### **MCEC Green Stars Youth Club:**

During the period of March 2020-April 2021, all activities related to the Green Stars Youth and Adults were suspended.

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## TRUSTEES' ANNUAL REPORT REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### External Engagement

During the reporting period, MCEC continued receiving requests and arranging visits for local primary and secondary schools in line the national KS1 and KS2 Religious Education curriculum. Students, teachers and parents are welcome to visit and experience, at first hand, the Muslim faith and place of worship. The open Q&A sessions have had very positive feedback. The schools, their staff and most importantly the students find these visits "highly educational and enjoyable". As a result we generally have more than 16 local and neighbouring boroughs' schools with more than 1000 pupils visiting the Mosque. Our "Open Door and Open Mind" policy also gives access to many GCSE students, adults and researchers on Religious Education projects to visit MCEC, bringing with them many interesting Q&As.

Since the majority of the schools had to close its door in the early days of Covid, some re-opened at a later stage, yet not comfortable making such visits. We managed to find a way around this pandemic and offered to some schools the very first virtual school visits, i.e Via Zoom, where pupils both from home, or the essential worker's children from the school, joined the visit and had nice interactive and engaging school visits.

MCEC successfully ran a series of educational classes throughout the year, via online and social media mediums which benefitted the local community greatly at times of distress and lockdowns. We have continued with our adult educational classes which were started last year as requested by our community. All classes are free to our local community.

MCEC had to stop hosting classes in Urdu and classes in Turkish for respective language speakers, in addition to other classes run in the centre in English, due to the lockdown and Covid-19.

#### i. Breakfast Club:

We were running our fortnightly breakfast club effectively for the last three years for free and open to all by passers and surrounding neighbours. During breakfast club, visitors were served continental & some Turkish breakfast with hot tea and coffee, unfortunately, this too had to stop due to Covid-19.

#### ii. Homeless Outreach:

Feeding the street homeless weekly in Holborn, Central London with hot meals, snacks, fruit and drinks.

- This activity continued during the Covid-19 pandemic when most other charities had stopped supporting the homeless.
- During the national lockdown in March, we seemed to be only charity serving the homeless on a Saturday evenings in Lincoln's Inn Fields in London.
- We also continued to distribute PPE, as well as hygiene products to rough sleepers in London

## MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

### TRUSTEES' ANNUAL REPORT REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2021

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##### iii. MCEC COVID-19 Food Parcels:

Preceding and during the initial the March 2020 COVID-19 national lockdown, MCEC joined a consortium of Enfield based charities to assist the will/effort of the local community as a response to the pandemic. We joined a consortium of over 30 charities and community groups, as we desired to create multi-faith understanding and cohesion in a 'segregated Enfield'. Our activities included

- Liaising with the Enfield consortium to contribute with emergency food parcels.
- Sourcing and purchasing bulk ambient food supplies.
- Created food parcels with multi-faith volunteers.
- Arranging and distributing food parcels to various Enfield based organizations who serve the vulnerable, as well as directly to the vulnerable beneficiaries through our network of volunteers.

##### iv. Food Donations:

During the March 2020 lockdown MCEC identified an opportunity of adding food supplies to assist a number of organisations including foodbanks, to benefit their service users.

- Built relationships with surplus food donation groups.
- Sourced and supplied fresh produce to foodbanks on a bi-weekly basis.

##### v. Daily Meals for COVID Positive Muslims Families:

Having had referrals for Muslims families who had contracted COVID-19, the local council system of food parcels was not sufficient for their **specific dietary requirements**. Therefore MCEC encouraged volunteers and local community members to cook culturally suitable halal meals and deliver to the isolating Muslim families in need on a daily basis.

##### vi. Food Parcels:

During the Covid 19 lockdown, MCEC, Global ONE and HANDS International instigated a new project which consisted of assisting 60 Muslim families for a 3 month period, who were facing food insecurity in our local community.

### **Achievements and performance**

The NLDN (North London Development Network) was set up in 2018 as a part of MCEC's ongoing commitment to community engagement. Our charitable work has encompassed emergency relief, food security, WASH, health, education and livelihoods.

NLDN's vision: To see a prosperous world free from poverty and hunger.

NLDN's focus is to expand charitable work, supporting the people affected by humanitarian tragedies as well as working to end poverty and achieve food security across the world.

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## TRUSTEES' ANNUAL REPORT REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

Below is a summary of the projects supported during the course of 2020 – 2021.

Item	Description	Amount £
Seven Spikes	Cemetery in Gaza Strip, Palestine	12,500
SKT International	Mobile medical clinics in Syria	53,000
HANDS international	PPE project	11,118
Cooking Champions	Homeless Outreach project	500
HANDS international	Ramadan Food	5,000
Various	Fitra & Zakat beneficiaries	32,000
Over 50's donation	Enfield Council	1,000
Homeless project	Homeless food distribution	1,350

### Marriage Match Event

Because of the emerging need of our community for young people to find life partners, we wanted to hold marriage introduction/match events to encourage our youth to undertake engagement in an Islamic surroundings. This service was put on hold due to the Covid pandemic. Plan is to restart this in 2022.

### Other

Whether furloughed or not we made sure that all our Imams, staff, and all personnel got paid in time during these crucial times, throughout the lockdowns.

Maintenance, repairs and improvements were carried out in the following areas:

- Repairs to walls and ceilings
- Redecoration works on ground floor
- Repainting of internal walls
- Carpet replacement

### Financial review

The income is generated from donations collected from Muslim people and Muslim organisations. The incoming resources and expenditure are detailed in the Statement of Financial Activities.

The financial year commenced with total cash and bank balances of £1,482,825. During the year donations amounting to £296,497 were received.

Resources expended in the year totalled £413,564 which included, utility costs, repairs & maintenance, educational & distributions in support of the poor and needy. At the year end there was a total cash and bank balances of £1,426,896.

### Reserves Policy

The trustees have forecast the level of free reserves (that is those funds not tied up in fixed assets, designated and restricted funds) the charity will require to sustain its operations over the forthcoming year.

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## TRUSTEES' ANNUAL REPORT REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Plans for future periods**

In looking forward, the Charity's future plans are to improve on the existing facilities provided at the Centre and also to meet demand for future educational services through Muslim Community & Education Centre (MCEC) CIO, charity number 1156440, formed for the purpose of continuing the charitable activities of the charity.

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

The charity was formed to take over the net assets, funds and activities of Muslim Community and Education Centre, an unincorporated Trust and a registered charity, number 1043847. The transfer agreement was dated 31 March 2015.

### **Governing Document**

Muslim Community and Education Centre (MCEC) is a Charitable Incorporated Organisation, registered on 28th March 2014 and is a registered charity, number 1156440. The trustees are as follows:

Mr. S Ahmad  
Mr. S Alim  
Dr. A S Billoo  
Mr. S M Shaikh  
Mr. T Shaikh  
Mr. Y M Shaikh  
Ms. S T Sheikh  
Dr. H P Ahmad  
Mr R Mohammed Hadi

(Appointed 7 December 2021)

### **Method of appointment of Trustees and policies adopted for their induction**

The basis of selecting new trustees is by way of identifying people who regularly attend events and functions organised by the CIO, show an interest in and volunteer to help out during these activities.

These people are then invited to attend Trustees' meetings as observers. They are then given more details of the CIO's aims and objectives. Upon satisfaction that these are in line with their ideology of charity work and after due consideration of the person's eligibility, personal competence, specialist knowledge and skills they are proposed as new trustees by the existing ones at the subsequent meeting where they are appointed by the current Board members.

Prior to their appointment, new trustees are introduced to the Charity's Policies to ensure adherence to various clauses of our Constitution. Charity procedures are covered, where they become aware of the scope of their responsibilities under the Charities Act. They are then attached to an existing trustee who they assist on the projects and activities run by the charity. After satisfactory feedback from existing trustees, they are appointed as board members and then given the task to deal with project/activity on their own and are regularly monitored through meetings.

## MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

### TRUSTEES' ANNUAL REPORT REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### Decision making

All decisions must be according to the teachings of the last Holy book Al-Qur'an and Sunnah of the last Prophet, Muhammad (peace be upon him) and based on majority ruling after proper assessment of the subject matter. The trustees are legally responsible for the overall management and control of the centre and meet on a regular basis, at least 6 times a year. The Finance and General Purposes (building) members generally meet every Friday to consider the tasks delegated to them in respect of financial, building work or any specialist adviser report, which are then communicated to the other trustees at the main board meeting for their deliberations.

#### Risk review

The management committee has conducted a review of the major risks, which the charity is exposed to and systems have been established to mitigate those risks. Significant external risks to funding have been reduced by the development of a strategic plan, which will allow for development only when the funds are in hand or have been guaranteed. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

After eight years, of service as chairman, Mr. Talat Shaikh has resigned from his chairmanship, yet remains as a Trustee. The board agreed to a new Co-chairmanship approach, and Ms. Saqibah Sheikh and Mr. Yasir Shaikh were named and agreed upon as new Co-chairs for MCEC.

The Trustees' annual report was approved and signed on behalf of the board of trustees by :



Mr. S Alirh  
Trustee

26 January 2022

Mr. T Shaikh  
Trustee





# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

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I report to the trustees on my examination of the financial statements of Muslim Community & Education Centre (MCEC) for the year ended 31 March 2021.

#### **Responsibilities and basis of report**

As the trustees of MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC) you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 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 2011 Act.

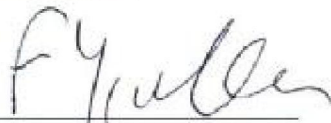
#### **Independent examiner's statement**

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ACCA.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Frank Yiallouris on behalf of  
JF Francis Ltd  
Francis House  
2 Park Road  
Barnet  
Hertfordshire  
EN5 5RN

Dated: 26 January 2022



# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total Unrestricted funds general 2021 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total
<b>Income from:</b>								
Donations and legacies	3	256,364	-	40,133	296,497	461,170	12,140	476,113
Investments	4	16,975	-	-	16,975	28,821	-	28,821
<b>Total income</b>		273,339	-	40,133	313,472	489,991	12,140	504,934
<b>Expenditure on:</b>								
Charitable activities	5	297,096	-	116,468	413,564	431,375	22,086	453,461
<b>Net gains/(losses) on investments</b>	9	73,500	-	-	73,500	-	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		49,743	-	(76,335)	(26,592)	58,616	(9,946)	51,473
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		49,743	-	(76,335)	(26,592)	58,616	(9,946)	51,473
Fund balances at 1 April 2020		3,140,095	18,470	83,176	3,241,741	3,081,479	93,122	3,190,268
<b>Fund balances at 31 March 2021</b>		3,189,838	18,470	6,841	3,215,149	3,140,095	83,176	3,241,741

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

**MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)**

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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All income and expenditure derive from continuing activities.

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

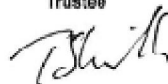
	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10	1,411,310		1,456,269	
Investment properties	11	375,000		301,500	
		<u>1,786,310</u>		<u>1,757,769</u>	
<b>Current assets</b>					
Debtors	12	7,812		2,461	
Cash at bank and in hand		<u>1,426,896</u>		<u>1,462,825</u>	
		1,434,708		1,465,286	
<b>Creditors: amounts falling due within one year</b>	13	<u>(5,869)</u>		<u>(1,314)</u>	
Net current assets		1,428,839		1,463,972	
<b>Total assets less current liabilities</b>		<u>3,215,149</u>		<u>3,241,741</u>	
<b>Income funds</b>					
Restricted funds		6,841		83,176	
Unrestricted funds - designated		18,470		18,470	
Unrestricted funds - general		<u>3,169,838</u>		<u>3,140,095</u>	
		<u>3,215,149</u>		<u>3,241,741</u>	

The financial statements were approved by the Trustees on 26 January 2022

Mr. S Alim  
Trustee



Mr. T Shaikh  
Trustee



# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	16		(70,565)		156,001
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,339)		-	
Investment income received		16,975		28,821	
<b>Net cash generated from investing activities</b>			14,636		28,821
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(55,929)		184,822
Cash and cash equivalents at beginning of year			1,482,825		1,298,003
<b>Cash and cash equivalents at end of year</b>			1,426,896		1,482,825

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Charity information**

The charity is registered charity in England and Wales and is a Charitable Incorporated Organisation. The address of the principal office is 30 Oakthorpe Road, London, N13 5JL.

#### **1.1 Accounting convention**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donations are the main source of income for the Centre. Those classified as Zakaat, Fitrana and Sadaqat are for the specific purpose of distribution to the poor and are treated as restricted funds.

Gifts in kind - properties and other fixed assets donated to the charity are included as voluntary income at market value at the time of receipt.

Donated services and facilities are included as voluntary income at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of service or facility provided, at the same value and time.

Income from 'gift aid' tax reclaims is recognised for donations received prior to the year end for which 'gift aid' certificates apply.

### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies (Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Over 50 years
Computer Equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no significant judgements or estimates involved in the preparation of the financial statements.



# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies	Unrestricted funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	general	2021	£	2021	£	2021	general	2020	£	2020	£	2020
Legacies receivable	250,247			-		250,247	461,170	2,803	-		463,973	
Zakaat, Fitrana and Sadaqat	6,117			40,133		46,250	-	-	11,785		11,785	
Rohingya appeal	-			-		-	-	-	355		355	
	256,364			40,133		296,497	461,170	2,803	12,140		476,113	

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Rental income	16,975	23,000
Interest receivable	-	5,821
	<u>16,975</u>	<u>28,821</u>

### 5 Charitable activities

	Charitable Expenditure Heading 1 2021 £	Charitable Expenditure Heading 1 2020 £
Depreciation and impairment	47,298	98,510
Wages & salaries	129,279	109,894
Rates & water	4,608	2,041
Light & heat	16,693	15,252
Repairs & maintenance	13,405	6,757
Insurance	5,116	5,685
Motor vehicle expenses	2,428	2,201
Telephone	882	1,380
Other charity operating costs	193,855	211,741
	<u>413,564</u>	<u>453,461</u>
	<u>413,564</u>	<u>453,461</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	297,096	431,375
Restricted funds	116,468	22,086
	<u>413,564</u>	<u>453,461</u>

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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<b>6</b>	<b>Net movement in funds</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>

Net movement in funds is stated after charging/(crediting)

Fees payable to the charity's auditor for the independent examination of the company's financial statements

Depreciation of owned tangible fixed assets

2,400	2,450
47,298	98,510
<u>          </u>	<u>          </u>

### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 8 Employees

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Administration	8	8
	<u>          </u>	<u>          </u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

There were no employees whose annual remuneration was more than £60,000.

### 9 Net gains/(losses) on investments

	<b>Unrestricted funds general 2021 £</b>	<b>Total  2020 £</b>
Revaluation of investment properties	73,500	-
	<u>          </u>	<u>          </u>

# MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 10 Tangible fixed assets

	Land and buildings £	Computer Equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2020	1,973,324	141,280	34,340	2,148,944
Additions	-	2,338	-	2,338
At 31 March 2021	1,973,324	143,618	34,340	2,151,282
<b>Depreciation and impairment</b>				
At 1 April 2020	562,790	101,747	28,137	692,674
Depreciation charged in the year	39,466	6,281	1,551	47,298
At 31 March 2021	602,256	108,028	29,688	739,972
<b>Carrying amount</b>				
At 31 March 2021	1,371,068	35,590	4,652	1,411,310
At 31 March 2020	1,410,534	39,533	6,202	1,456,269

Land and buildings have been revalued by the Trustees on an open market basis as at 31 March 2021.

### 11 Investment property

	2021 £
<b>Fair value</b>	
At 1 April 2020 and 31 March 2021	375,000

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2021 by the trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2021 £	2020 £
Freehold	375,000	301,500
Long leasehold	-	-
Short leasehold	-	-

## MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2021*

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**12 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	5,733	-
Prepayments and accrued income	2,079	2,461
	<u>7,812</u>	<u>2,461</u>

**13 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	-	704
Other creditors	559	610
Accruals and deferred income	5,310	-
	<u>5,869</u>	<u>1,314</u>

# **MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2021**

14 Analysis of net assets between funds	Unrestricted funds		Unrestricted Funds		Restricted Funds		Total		Unrestricted funds		Unrestricted Funds		Restricted Funds		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£
Fund balances at 31 March 2021 are represented by:																
Tangible assets	1,411,310		-		-		1,411,310		1,456,269		-		-		1,456,269	
Investment properties	375,000		-		-		375,000		301,500		-		-		301,500	
Current assets/(liabilities)	1,428,839		-		-		1,428,839		1,483,972		-		-		1,483,972	
	3,215,149		-		-		3,215,149		3,241,741		-		-		3,241,741	

## MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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**15 Related party transactions**

There were no related party transactions during the year (2020 - none).

<b>16 Cash generated from operations</b>	<b>2021 £</b>	<b>2020 £</b>
(Deficit)/surplus for the year	(26,592)	51,473
Adjustments for:		
Investment income recognised in statement of financial activities	(16,975)	(28,821)
Fair value gains and losses on investment properties	(73,500)	-
Depreciation and impairment of tangible fixed assets	47,298	98,510
Movements in working capital:		
(Increase)/decrease in debtors	(5,351)	34,352
Increase in creditors	4,555	487
<b>Cash (absorbed by)/generated from operations</b>	<b>(70,565)</b>	<b>156,001</b>

**17 Analysis of changes in net funds**

The charity had no debt during the year.