

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

LEGAL AND ADMINISTRATIVE INFORMATION

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

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

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MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and unaudited financial statements for the year ended 31 March 2022.

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 worshippers 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 worshippers. To reach all the Muslims in the area, our Imams deliver their regular sermons and classes on Islamic knowledge subjects in English.

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.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 as well as a new class for ladies keep fit class, where women are having fitness lessons under a qualified instructor, and the four evening classes for adults on a weekly basis. All counselling and classes are offered without charge.

MCEC Supplementary Schools:

More than 150 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.

Moreover, a curriculum has been introduced for all students to engage in, which further deepens their knowledge about Islam, how to apply Islam on a day-to-day basis, and being a good individual by following the law of the land.

We have shared our student's achievements and success through award ceremonies and student led presentations, which was widely appreciated by everyone.

MCEC Funeral Service:

Between the dates of April 2021-March 2022, we at MCEC conducted 77 funerals, which also included funeral services for the Covid deceased as well as the normal cause of death, e.g. cancer or other health issues. In addition, working with our partnering funeral directors to ensure we are providing our service to the community as best as possible.

A recent cemetery was open and we at MCEC has led a helping hand in their foundation by providing guidelines and assistance on Muslim burials. Garden of Firdaus, Sewardstone Park Cemetery, Sewardstone Road, London-E4 7RJ.

The funeral team led by Sabir Shaikh worked extremely hard to ensure the services of the funeral are ongoing and continuous.

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

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

MCEC Social Media:

Our online presence has increased over the year, with more followers, views and responses to what is published.

We publish on a weekly basis religious reminder, events at the centre, educational classes and images of the centre.

We are continuously connecting with people locally and internationally via the platforms of our Website, Facebook, Instagram, Twitter, WhatsApp and Telegram.

MCEC Green Stars Youth Club:

During the period of March 2021-April 2022, Green Stars Youth Club resumed the following activities:

1. Youth Football - Every Saturday - 16+, which is open to Muslims and Non-Muslims.
2. Cricket - 2 teams from our centre represented MCEC in the yearly LMS t20 League, with MCEC winning the Islington League, a record 8 times champion.
3. Brazilian Jui Jitsu - Twice a week we have classes to focus the mind and body, awareness and participation has increased with a number of 20 participants attending on a weekly basis.
4. Youth Club - We have catered for boys and girls and two age groups (9-13) and (14-18). Sessions would be based around sports, arts and crafts, activities, workshops, debates as well as food and drink.
5. Ramadan Club.

External Engagement

The following external engagements continued as well as additional:

MCEC Tours and Visits

During the reporting period, MCEC continued receiving requests and arrange 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. We also visited schools to teach Islam during the period of Ramadan.

MCEC Food packs for the vulnerable

We are delighted to be working with other Enfield Mosques & Global One 2015 again to support a four-month project (March-June 2021) for vulnerable families by providing food packs that will include dry food items and household cleaning products.

MCEC Gaza Food Fair

We partnered with 'HANDS International' and decided to take action for Gaza in our community by holding our Gaza Food Fair, we didn't expect to uncover such a hurt undertone in our community, as well as a deep desire of wanting to contribute. We raised over £12,000.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

MCEC Clothing for Afghanistan Refugee Families in the United Kingdom

With the generosity of the management and the help of our staff and volunteers, we were able to help 27 refugee families, which resulted in 156 individuals. We provided them with basic needs such as warm clothing items, prayers mats, abayas and toiletries. Our volunteers drove to Manchester, Birmingham, Heathrow and Gatwick to ensure the items were safely received by the families.

MCEC Ramadan Bake Sale

A group of volunteers raised money for Afghanistan, standing in the cold on an evening of prayer. £1690 was raised.

MCEC Ramadan Reading Challenge

In partnership with Olive Tree Library, GreenStars invited children to take part in reading and developing their reading skills.

MCEC GreenStars in collaboration with Al Bourouge Young Speakers Club

A 3-day workshop empowering the youth focusing on developing confidence when speaking in front of an audience. A guidance to public speaking.

MCEC - Palmers Green Mosque was nominated as a finalist by British Beacon Mosque for Best Run Mosque.

Run and housed Covid Vaccine Pop Up – Clinic

MCEC partnered with the NHS to provide covid vaccines to our public community.

MCEC GreenStars in collaboration with Seven Spikes Charity

A youth training workshop to help Muslim youth relate to their family, community and religion.

Ongoing Online and Face-to-Face teaching continues

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. 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 resumed hosting classes in Urdu and classes in Turkish for respective language speakers, this beside other classes run in Centre in universally understood language, English, after it was suspended due to lockdown and Covid-19.

Breakfast Club

We were running our fortnightly breakfast club affectively for the last four years for free and open to all by passers and surrounding neighbours. Where they were served continental & some Turkish breakfast with hot tea and coffee.

Achievements and performance

Donations: During Month of Ramadan, Festive of Sacrifice and Throughout the Year

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 (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Below is a summary of the projects supported during the course of 2021 – 2022.

Item	Description	Amount
Abdullah Quilliam Mosque	Donation to England's First Mosque. Towards the final purchase price of the mosque's adjacent building and the car park as well as the renovation programme	£5,000
Action for Humanity/Syria Relief	Rebuilding Syrian communities one village at a time – Building 15 homes	£24,000
Great Ormond Street Hospital Children's Charity	Anesthetic machines for the GOSH Neonatal and Pediatric Surgery Department	£36,363
Clothing for Afghanistan Refugee Families in the United Kingdom	Helped 27 refugee families, which resulted in 156 individuals. We provided them with basic needs such as warm clothing etc....	£2,715
Fitra - Mander	Partnered with Mander Islamic Society to distribute Fitra in Kenya	£2,000
Fitra - Yemen & Jerusalem	Partnered with International Waqf & Relief Foundation for Fitra distribution in Jerusalem and in Yemen	£6,000
Qurbani Distribution - Yemen	Partnered with HANDS International for distribution in Yemen of Qurbani meat	£2,727
Goodwill Charity Support	Payment to member of the community in difficult financial circumstances	£2,000
LSE Homeless Soup Kitchen	Working with HANDS International, we sponsored a year's soup kitchen for homeless with the LSE ISOC.	£875
Myanmar School	Support HANDS International with a project to build a school in Myanmar	£4,400
Various	Fitra & Zakat beneficiaries	£12,018

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.

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

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 £1,426,896. During the year donations amounting to £582,584 were received.

Resources expended in the year totalled £397,043 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 £1,234,704.

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.

Plans for future periods

In looking forward, the Charity's future plans are to continue to improve on the existing facilities provided at the Centre and also to meet demand for future educational services.

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. The Muslim community and Education Centre (MCEC) is governed and managed by its governing document.

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. T Shaikh
Mr. Y M Shaikh
Ms. S T Sheikh
Mr. S Ahmad
Mr. S Alim
Mr. S M Shaikh
Dr. H P Ahmad
Dr. A S Billoo
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 (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Decision making

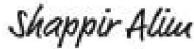
All decisions must be according to the teachings of the last Holy book Al-Qur'an and Sunnah of the last Prophet, Muhammad (peace be upon him) and based on majority ruling after proper assessment of the subject matter. The trustees are legally responsible for the overall management and control of the 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

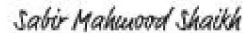
The management committee has conducted a review of the major risks, which the charity is exposed to and systems have been established to mitigate those risks. Significant external risks to funding have been reduced by the development of a strategic plan, which will allow for development only when the 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 Alim
Trustee



Mr. S M Shaikh
Trustee

27 January 2023

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

STATEMENT OF TRUSTEES' ANNUAL RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Muslim Community & Education Centre (MCEC) (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity 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' annual 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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' annual report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Responsibilities of trustees

As explained more fully in the statement of Trustees' annual responsibilities, the trustees 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 charity'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 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 the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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. We designed procedures capable of detecting non-compliance with laws and regulations and irregularities, including fraud, through:

- Obtaining an understanding of the Charity through discussions with Trustees, and the application of our cumulative audit knowledge and experience of the industry to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements including employment, health and safety, data protection and anti-bribery legislation and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP.
- Identifying possible risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether there was potential for management bias in the reporting of events and transactions in the financial statements relating to principal accounting estimates and uncertainties.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Our audit procedures were designed to respond to the identified risks relating to non-compliance with laws and regulations and irregularities (including fraud) that are material to the financial statements.

Our audit procedures in relation to non-compliance with laws and regulations included, but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations and reviewing correspondence with regulators and with solicitors; and
- Communicating identified laws and regulations with the audit team and remaining alert to any indications of non-compliance throughout the audit; and
- Considering the risk of non-compliance with laws and regulations; and
- Considering whether the financial statement disclosures fairly represent the underlying transactions.

Our audit procedures in relation to irregularities and fraud included, but were not limited to:

- Making enquiries of trustees and management as to where they considered there was susceptibility to fraud, and whether they had knowledge of actual, suspected or alleged fraud; and
- Gaining an understanding of the internal controls established to mitigate risks relating to fraud; and
- Discussing the risk of fraud and management bias with the audit team and remaining alert to any indications of fraud and management bias throughout the audit; and
- Addressing the risk of management override of controls by testing journal entries, considering the rationale behind significant or unusual transactions, and reviewing accounting estimates

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management.

Because of these inherent limitations, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

This risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

JF Francis

JF Francis Ltd

27 January 2023

**Chartered Accountants
Statutory Auditor**

Francis House
2 Park Road
Barnet
Hertfordshire
EN5 5RN

JF Francis Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total	Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total
	Notes	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Income from:									
Donations and legacies	3	484,464	23,212	74,908	582,584	256,364	-	40,133	296,497
Investments	4	29,891	-	-	29,891	16,975	-	-	16,975
Total income		514,355	23,212	74,908	612,475	273,339	-	40,133	313,472
Expenditure on:									
Raising funds	5	1,890	-	-	1,890	-	-	-	-
Charitable activities	6	298,944	19,018	79,081	397,043	297,096	-	116,468	413,564
Investment property expenditure	10	7,309	-	-	7,309	-	-	-	-
Total expenditure		308,143	19,018	79,081	406,242	297,096	-	116,468	413,564
Net gains/(losses) on investments	11	20,000	-	-	20,000	73,500	-	-	73,500
Net income/(expenditure) for the year/ Net movement in funds		226,212	4,194	(4,173)	226,233	49,743	-	(76,335)	(26,592)

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

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

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
Net income/(expenditure) for the year/ Net movement in funds		226,212	4,194	(4,173)	226,233	49,743	-	(76,335)	(26,592)
Fund balances at 1 April 2021		3,189,838	18,470	6,841	3,215,149	3,140,095	18,470	83,176	3,241,741
Fund balances at 31 March 2022		3,416,050	22,664	2,668	3,441,382	3,189,838	18,470	6,841	3,215,149

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

All income and expenditure derive from continuing activities.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12	1,369,833		1,411,310	
Investment properties	13	881,367		375,000	
		<u>2,251,200</u>		<u>1,786,310</u>	
Current assets					
Debtors	14	5,407		7,812	
Cash at bank and in hand		1,234,704		1,426,896	
		<u>1,240,111</u>		<u>1,434,708</u>	
Creditors: amounts falling due within one year	15	(49,929)		(5,869)	
Net current assets		<u>1,190,182</u>		<u>1,428,839</u>	
Total assets less current liabilities		<u><u>3,441,382</u></u>		<u><u>3,215,149</u></u>	
Income funds					
Restricted funds		2,668		6,841	
Unrestricted funds - designated		22,664		18,470	
Unrestricted funds - general		3,416,050		3,189,838	
		<u>3,441,382</u>		<u>3,215,149</u>	

The financial statements were approved by the Trustees on 27 January 2023

Shappir Alim

Mr. S Alim
Trustee

Sabir Mahmood Shaikh

Mr. S M Shaikh
Trustee

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	18		270,076		(70,565)
Investing activities					
Purchase of tangible fixed assets		(5,792)		(2,339)	
Purchase of investment property		(486,367)		-	
Investment income received		29,891		16,975	
Net cash (used in)/generated from investing activities			(462,268)		14,636
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(192,192)		(55,929)
Cash and cash equivalents at beginning of year			1,426,896		1,482,825
Cash and cash equivalents at end of year			1,234,704		1,426,896

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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 2022

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
Fixture and fittings	25% reducing balance
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 2022

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.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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 2022

3 Donations and legacies

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Legacies receivable	349,750	23,212	-	372,962	250,247	-	250,247
Zakaat, Fitrana and Sadaqat	134,714	-	74,908	209,622	6,117	40,133	46,250
	<u>484,464</u>	<u>23,212</u>	<u>74,908</u>	<u>582,584</u>	<u>256,364</u>	<u>40,133</u>	<u>296,497</u>

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Rental income	29,891	16,975

5 Raising funds

	Unrestricted funds general 2022 £	Total 2021 £
<u>Fundraising and publicity</u>		
Other fundraising costs	1,890	-
	1,890	-

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	Charitable Expenditure Heading 1 2022 £	Charitable Expenditure Heading 1 2021 £
Depreciation and impairment	47,267	47,298
Wages & salaries	125,890	129,279
Rates & water	1,947	4,608
Light & heat	13,401	16,693
Repairs & maintenance	3,629	13,405
Insurance	4,386	5,116
Motor vehicle expenses	2,843	2,428
Telephone	859	882
Other charity operating costs	196,821	193,855
	<u>397,043</u>	<u>413,564</u>
	<u>397,043</u>	<u>413,564</u>
Analysis by fund		
Unrestricted funds - general	298,944	297,096
Unrestricted funds - designated	19,018	-
Restricted funds	79,081	116,468
	<u>397,043</u>	<u>413,564</u>

7 Net movement in funds

	2022 £	2021 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the charity's auditor for the audit of the charity's financial statements	4,200	-
Depreciation of owned tangible fixed assets	<u>47,267</u>	<u>47,298</u>

8 Trustees

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

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Employees

	2022 Number	2021 Number
Administration	8	8

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

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

10 Other

	Unrestricted funds general 2022	Total £ 2021
Rental property expenses	7,309	-

11 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Revaluation of investment properties	20,000	73,500

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets

	Land and buildings £	Fixture and fittings £	Computer Equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	1,973,324	-	143,618	34,340	2,151,282
Additions	-	4,300	1,492	-	5,792
At 31 March 2022	1,973,324	4,300	145,110	34,340	2,157,074
Depreciation and impairment					
At 1 April 2021	602,257	-	108,028	29,689	739,974
Depreciation charged in the year	39,467	1,075	5,562	1,163	47,267
At 31 March 2022	641,724	1,075	113,590	30,852	787,241
Carrying amount					
At 31 March 2022	1,331,600	3,225	31,520	3,488	1,369,833
At 31 March 2021	1,371,068	-	35,590	4,652	1,411,310

13 Investment property

	2022 £
Fair value	
At 1 April 2021	375,000
Additions through external acquisition	486,367
Net gains or losses through fair value adjustments	20,000
At 31 March 2022	881,367

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2022 by the trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2022 £	2021 £
Freehold	881,367	375,000

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	2,957	5,733
Prepayments and accrued income	2,450	2,079
	<u>5,407</u>	<u>7,812</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	37,773	-
Other creditors	2,137	559
Accruals and deferred income	10,019	5,310
	<u>49,929</u>	<u>5,869</u>

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:								
Tangible assets	1,369,833	-	-	1,369,833	1,411,310	-	-	1,411,310
Investment properties	881,367	-	-	881,367	375,000	-	-	375,000
Current assets/(liabilities)	1,164,850	22,664	2,668	1,190,182	1,403,528	18,470	6,841	1,428,839
	<u>3,416,050</u>	<u>22,664</u>	<u>2,668</u>	<u>3,441,382</u>	<u>3,189,838</u>	<u>18,470</u>	<u>6,841</u>	<u>3,215,149</u>

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Related party transactions

There were no related party transactions during the year (2021 - none).

18 Cash generated from operations	2022 £	2021 £
Surplus/(deficit) for the year	226,235	(26,592)
Adjustments for:		
Investment income recognised in statement of financial activities	(29,891)	(16,975)
Fair value gains and losses on investment properties	(20,000)	(73,500)
Depreciation and impairment of tangible fixed assets	47,267	47,298
Movements in working capital:		
Decrease/(increase) in debtors	2,405	(5,351)
Increase in creditors	44,060	4,555
Cash generated from/(absorbed by) operations	270,076	(70,565)
19 Analysis of changes in net funds		
The charity had no debt during the year.		