

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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
Charity number	1156440
Principal address	30 Oakthorpe Road London N13 5JL
Auditor	JF Francis Ltd Francis House 2 Park Road Barnet Herts 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 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

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. It also provides help the needy and vulnerable inside UK and around the world by 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 remains the same as previous years. 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 awareness 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 find peace and harmony in their households.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 schools; this shows the quality of our education provision and the demand for these services.

The school's ethos is to provide Islamic education and understand 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 to help them become good British citizens.

Respecting the free will of individuals, pluralism of Islam, and interfaith and humanitarian common grounds are the central 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:

We at MCEC conducted 109 funerals throughout the year. In addition, we work with our partnering funeral directors to ensure we are providing our service to the community as best as possible.

MCEC Social Media:

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

We publish religious reminders, events at the centre, educational classes, lectures and talks, and tours and visit every week.

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

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

MCEC Green Stars Youth Club:

During the period of April 2022-March 2023, 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 - 3 times a week, we have classes to focus on the mind and body. Awareness and participation have increased, with a number of 50 participants attending every week.
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. 50+ Adult sessions to care for the community's older adults, which consists of exercise, discussions, and visits.
6. Parents and toddlers group for ages 0-5 term time on Mondays.
7. Weekly cycling sessions for males and females.

MCEC External Engagement

The ongoing engagements continued alongside additional ones, as outlined below:

MCEC Tours and Visits

During the reporting period, MCEC continued receiving requests and arranging visits for local primary and secondary schools in line with the national KS1 and KS2 Religious Education curriculum. Students, teachers, and parents are welcome to visit and experience the Muslim faith and place of worship first-hand.

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 neighboring 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.

Food Bank partnership with Neighbouring Mosque

An ongoing partnership with a neighbouring Mosque for community members who are struggling or going through any difficulties, MCEC is used as a collection hub, and our volunteers then drop the food off at the neighbouring Mosque before the Food Bank starts every week on Mondays.

Emergency Appeal for Turkey and Syria

At MCEC, we held an emergency food fair in partnership with Southgate Mosque, a day of engagement with our wider community. A total of £52,122 was raised and sent via reliable and vetted charities.

MCEC Afghanistan Food Fair

At MCEC, we held an Eid food fair for emergency food relief in Afghanistan. We raised £13,566.

MCEC Breakfast Club

We have run our fortnightly breakfast club for five years, offering complimentary breakfast to all passers-by and surrounding neighbours. Participants enjoy a continental and Turkish breakfast spread, complemented by hot tea and coffee, and this has been well attended, with over 60 members joining each time.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

MCEC Annual Eid Fair

The MCEC Annual Eid Fair is a day of joy and happiness for the community and the broader neighbourhood. It provides an opportunity for interfaith engagement and sharing joy with diverse communities. Men, women, children, and individuals of all age backgrounds find something enjoyable- fun activities, delicious food, and exciting rides—truly, there's something for everyone. The total raised was £16,069.

Marriage Match Event

We have resumed our marriage match events and had four successful marriage reach events for our community between the ages of 23-35 in Islamic surroundings, encouraging individuals to come forward for those interested in marriage.

Save a Life, Save Mankind

British Islamic Medical Association's flagship project aims to teach basic life support skills.

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.

MCEC has classes in Urdu, Turkish, and Albanian. For respective language speakers, other courses run in the centre in a universally understood language, English, after it was suspended due to the lockdown and COVID-19.

Hands International & MCEC Palmers Green Mosque

Charity dinner: In aid of rebuilding the lives of those affected by the floods in Pakistan, donations reached over £120,000.

Rising Above Employability Programme: 18-25 years olds

GreenStars in collaboration with Rising Above Employability offered a free 5-week employability programme for 18-25-year-olds.

Sisters Cycling Success

Cycle Sisters organised our first-ever 100km sportive event for Muslim women. Over 50 women took part in the 'Tour de Cycle Sisters' riding from Palmers Green Mosque on a scenic route through Essex, ending at the Olympic VeloPark.

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 (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Below is a summary of the projects supported from 2022 to 2023.

Items	Description	Amount £
International Waqf And Relief Foundation	Distribution of funds to the poor to celebrate the end of Ramadan. This was in Palestine.	£2,000
Health And Nutrition Development Society	Distribution of funds specifically for emergency food packages in Gaza	£12,500
Hands International	Donations for food to break fast during Ramadan for Rohingya Refugees	£3,750
Holland Bazaar Cash & Carry	Food Distribution project during Ramadan with GlobalOne 2015. The food packages were distributed to local needy families in partnership with Rumi Mosque, Ponders End Mosque, and Edmonton Mosque for 100 beneficiary families	£2,075
International Waqf And Relief Foundation	Distribution of funds for Specific Eid Gifts for 100 Families in Palestine	£5,000
IDA RIEU Welfare Trust	For young deaf women in Karachi, MCEC provided funds to establish a beautician training center	£4,000
Fitra-S ADAM	Fitrana Donations was sent and distributed in various locations (Kutch, Bhuj, Bihar, and Kohan) in India	£2,000
Imam Bukhari Orphanage	Distribution of funds to provide Eid gifts to children in Imam Bukhari Orphanage in Logar Province in Afghanistan	£2,000
Hands International	Distribution of funds to the poor to celebrate the end of Ramadan. This was for Rohingya Refugees	£1,500
Health And Nutrition Development Society	Distribution of funds to the poor to celebrate the end of Ramadan. This was in Yemen and Pakistan	£3,500
AL - Imdaad Foundation / Emergency food relief –JAPO	Distributions of funds to support the people in Afghanistan facing famine and starvation. 350 Families were provided food security, Improved nutrition and an alleviation of severe hardship	£25,000
Various Qurbani	Qurbani on Eid and distributed to the poor families	£2,500
Read Foundation	Funding to open a READ Foundation school at Shah Sarmast village, Gujrat	£12,000
Enfield Borough Over 50s Forum	Funding to Enfield Over 50s Forum to support the provision of 6 workshops and home deliveries of up to 300 winter items to older people in need	£1,000
Hands International	After the floods in Pakistan, MCEC cosponsored with HANDS International, the rebuilding of two villages with flood-resistant building designs.	£20,000
Hands of Giving Foundation	Funding to Hands of Giving Foundation to equip a sports club in Refugee Camps in Lebanon	£5,474
Action for Humanity	After the devastating earthquake in the Turkey/Syria border areas, the community held a food fair and clothing drive to support the victims	£17,000
Islamic Helping Hands UK	After the devastating earthquake in the Turkey/Syria border areas, the community held a food fair and clothing drive to support the victims	£22,900

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 expenditures are detailed in the Statement of Financial Activities.

The financial year commenced with total cash and bank balances of £1,234,704. During the year donations amounting to £613,175 were received.

Resources expended in the year totalled £474,111 which included, utility costs, repairs & maintenance, education & distributions in support of the poor and needy. At the year's end, there was a total cash and bank balance of £1,317,822.

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

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

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, to which the charity is exposed 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 nine years, of service as chairman, Mr. Talat Shaikh has resigned from his chairmanship, yet remains as a Trustee. The board agreed on Mr. Yasir Shaikh as the new chair of MCEC.

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

Yasir Shaikh

Mr. Y M Shaikh
Trustee

Shappir Alim

Mr. S Alim
Trustee

31 January 2024

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

STATEMENT OF TRUSTEES' ANNUAL RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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 2023 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 2023 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.

Use of our report

This report is made solely to the charity's trustees in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees for our audit work, for this report, or for the opinions we have formed.

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

JF Francis Ltd *JF Francis*

31 January 2024

**Chartered Certified Accountants
Statutory Auditor**

Francis House
2 Park Road
Barnet
Herts
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 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	465,227	147,948	613,175	507,675	74,908	582,583
Investments	4	48,400	-	48,400	29,891	-	29,891
Other income		26,180	-	26,180	-	-	-
Total income		539,807	147,948	687,755	537,566	74,908	612,474
Expenditure on:							
Raising funds	5	-	-	-	1,890	-	1,890
Charitable activities	6	329,664	144,447	474,111	317,962	79,081	397,043
Investment property expenditure	10	23,521	-	23,521	7,309	-	7,309
Total expenditure		353,185	144,447	497,632	327,161	79,081	406,242
Net gains on investments	11	45,000	-	45,000	20,000	-	20,000
Net income and movement in funds		231,622	3,501	235,123	230,405	(4,173)	226,232
Reconciliation of funds:							
Fund balances at 1 April 2022		3,438,713	2,668	3,441,381	3,208,308	6,841	3,215,149
Fund balances at 31 March 2023		3,670,335	6,169	3,676,504	3,438,713	2,668	3,441,381

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		1,326,503		1,369,833
Investment property	14		926,367		881,367
			<u>2,252,870</u>		<u>2,251,200</u>
Current assets					
Debtors	15	117,706		5,406	
Cash at bank and in hand		1,317,822		1,234,704	
		<u>1,435,528</u>		<u>1,240,110</u>	
Creditors: amounts falling due within one year	16	11,894		49,929	
		<u>11,894</u>		<u>49,929</u>	
Net current assets			1,423,634		1,190,181
Total assets less current liabilities			<u>3,676,504</u>		<u>3,441,381</u>
The funds of the charity					
Restricted income funds	17		6,169		2,668
Unrestricted funds			3,670,335		3,438,713
			<u>3,676,504</u>		<u>3,441,381</u>

The financial statements were approved by the trustees on 31 January 2024

Yasir Shaikh

Mr. Y M Shaikh
Trustee

Shappir Alim

Mr. S Alim
Trustee

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	21		37,710		270,076
Investing activities					
Purchase of tangible fixed assets		(2,992)		(5,792)	
Purchase of investment property		-		(486,367)	
Investment income received		48,400		29,891	
Net cash generated from/(used in) investing activities			45,408		(462,268)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			83,118		(192,192)
Cash and cash equivalents at beginning of year			1,234,704		1,426,896
Cash and cash equivalents at end of year			1,317,822		1,234,704

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 or grantors 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 2023

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 2023

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 property

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 2023

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 2023

3 Donations and legacies

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Legacies receivable	463,227	-	463,227	372,961	-	372,961
Zakaat, Fitrana and Sadaqat	2,000	147,948	149,948	134,714	74,908	209,622
	<u>465,227</u>	<u>147,948</u>	<u>613,175</u>	<u>507,675</u>	<u>74,908</u>	<u>582,583</u>

4 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Rental income	<u>48,400</u>	<u>29,891</u>

5 Raising funds

	Total 2023 £	Unrestricted funds general 2022 £
<u>Fundraising and publicity</u>		
Other fundraising costs	-	1,890
	<u>-</u>	<u>1,890</u>

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Expenditure on charitable activities

	Charitable expenditure 2023 £	Charitable expenditure 2022 £
Direct costs		
Depreciation and impairment	46,322	47,267
Wages & salaries	108,979	125,890
Rates & water	2,855	1,947
Light & heat	15,977	13,401
Repairs & maintenance	22,150	3,629
Insurance	3,494	4,386
Motor vehicle expenses	6,159	2,843
Telephone	513	859
Other charity operating costs	267,662	196,821
	<u>474,111</u>	<u>397,043</u>
Analysis by fund		
Unrestricted funds	329,664	317,962
Restricted funds	144,447	79,081
	<u>474,111</u>	<u>397,043</u>

7 Net movement in funds

	2023 £	2022 £
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	3,600	4,200
Depreciation of owned tangible fixed assets	<u>46,322</u>	<u>47,267</u>

8 Trustees

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

9 Employees

	2023 Number	2022 Number
Administration	<u>6</u>	<u>8</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

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

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Other

	Unrestricted funds general 2023	Unrestricted funds general 2022
Rental property expenses	23,521	7,309

11 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investment properties	45,000	20,000

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Land and buildings £	Fixture and fittings £	Computer Equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2022	1,973,324	4,300	145,109	34,340	2,157,073
Additions	-	-	2,992	-	2,992
At 31 March 2023	1,973,324	4,300	148,101	34,340	2,160,065
Depreciation and impairment					
At 1 April 2022	641,723	1,075	113,590	30,852	787,240
Depreciation charged in the year	39,467	806	5,177	872	46,322
At 31 March 2023	681,190	1,881	118,767	31,724	833,562
Carrying amount					
At 31 March 2023	1,292,134	2,419	29,334	2,616	1,326,503
At 31 March 2022	1,331,600	3,225	31,520	3,488	1,369,833

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Investment property

	2023 £
Fair value	
At 1 April 2022	881,367
Net gains or losses through fair value adjustments	45,000
	<u>926,367</u>
At 31 March 2023	<u>926,367</u>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2023 by the trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2023 £	2022 £
Freehold	926,367	881,367
	<u>926,367</u>	<u>881,367</u>

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	114,900	2,957
Prepayments and accrued income	2,806	2,449
	<u>117,706</u>	<u>5,406</u>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,511	37,773
Other creditors	1,844	2,137
Accruals and deferred income	8,539	10,019
	<u>11,894</u>	<u>49,929</u>

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
	2,668	147,948	(144,447)	6,169
Previous year:	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
	6,841	74,908	(79,081)	2,668

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 April 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2023 £
General funds	3,438,713	539,807	(353,185)	45,000	3,670,335
Previous year:	At 1 April 2021 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2022 £
General funds	3,208,308	537,566	(327,161)	20,000	3,438,713

19 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	1,326,503	-	1,326,503
Investment properties	926,367	-	926,367
Current assets/(liabilities)	1,417,465	6,169	1,423,634
	3,670,335	6,169	3,676,504

MUSLIM COMMUNITY & EDUCATION CENTRE (MCEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

19 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	1,369,833	-	1,369,833
Investment properties	881,367	-	881,367
Current assets/(liabilities)	1,187,513	2,668	1,190,181
	<u>3,438,713</u>	<u>2,668</u>	<u>3,441,381</u>

20 Related party transactions

There were no related party transactions during the year (2022 - none).

21 Cash generated from operations

	2023 £	2022 £
Surplus for the year	235,123	226,234
Adjustments for:		
Investment income recognised in statement of financial activities	(48,400)	(29,891)
Fair value gains and losses on investment properties	(45,000)	(20,000)
Depreciation and impairment of tangible fixed assets	46,322	47,267
Movements in working capital:		
(Increase)/decrease in debtors	(112,300)	2,406
(Decrease)/increase in creditors	(38,035)	44,060
Cash generated from operations	<u>37,710</u>	<u>270,076</u>

22 Analysis of changes in net funds

The charity had no material debt during the year.