



ANNUAL TRUSTEES' REPORT & FINANCIAL STATEMENTS

Period ended 31 December 2023



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REFERENCE & ADMINISTRATIVE DETAILS OF THE CHARITY

FOR THE PERIOD ENDED 31 DECEMBER 2023

TRUSTEES

Chair: Moazzam Malik CMG
Hameed El Asaly
Dr Hany Abdul Gawad El-Banna OBE
Syed Lakthe Hassanain
Tufail Hussain
Mukhtar Karim
Saffa Mir
Madiha Raza
Shuaib Yusaf

PRINCIPAL OFFICE

6 Whitehorse Mews
37 Westminster Bridge Road
London, SE1 7QD

BANKS

Unity Trust Bank
9 Brindley Place
Birmingham B1 2HB

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

CHARITY REGISTERED NUMBER

1166149

INDEPENDENT EXAMINERS

Azets
Regis House
45 King William Street
London, EC4R 9AN

CHIEF EXECUTIVE OFFICER

Fadi Itani OBE

SOLICITORS

Bates Wells
10 Queen Street Place
London
EC4R 1B

A MESSAGE OF GRATITUDE

A HEARTFELT THANKS TO ALL OUR MEMBERS:



OUR SINCERE THANKS TO OUR FUNDING PARTNERS:



OUR SINCERE THANKS TO OUR SUPPORTING PARTNERS:





CHAIRMAN'S FOREWORD

Dear Friends,

2023 has been another busy year for Muslim Charities Forum (MCF). Our role has always been to provide support, to connect the sector and to represent British Muslim charities and those that they serve, to ensure they have a voice and access to the resources they need. I am delighted to share this report with you. It sets out our activities for the April – December period (nine months, as we are adjusting our financial year).

In 2023, we continued to conduct research and present findings across a number of pressing issues affecting the sector, their service users and donors. From ongoing climate change to the Cost-of-Living crisis, the MCF team has sought to examine how multiple, external factors impact the work of both NGOs and INGOs.

The highlight of the year was undoubtedly the Muslim Charities Convention: The Blessings of The Collective held in October. I was delighted to see so many familiar faces from across the civil society sector coming together to celebrate the contribution of Muslim charities in the UK and abroad.

This year we were pleased to secure further support from a number of funders including City Bridge Foundation who are investing in our capacity to enable system change in and for our sector. Infrastructure support is vital to help social action and charitable work flourish, thrive and improve resilience. This is a pressing need considering recent global crises and increased financial pressures. We look forward to working with all our partners in building stronger foundations to ensure charities and community organisations of all sizes have the tools they need to continue to grow sustainably.

The British Muslim charity sector is continuing to grow fast reflecting the communities they draw from. I hope that many of these growing organisations will chose to join MCF, unlocking the potential for collaboration, partnership and impact.

Finally, my heartfelt thanks and appreciation to our members, partners, funders, my fellow board members and MCF's dedicated staff for their commitment to make the blessings of the collective a reality.

Yours,
Moazzam Malik CMG
Chair

CEO'S MESSAGE



Dear Colleagues and Supporters,

As an infrastructure and members-led network, we continue to support, connect and represent the sector as we respond to needs. Our research and relationships with British Muslim charities inform our work and ensure that MCF can provide resources and support in delivering best practice and ensuring our charities can reach their full potential.

2023 was no exception and as this report highlights, the MCF team have continued to work across a variety of areas, responding to needs and the ever-evolving social action landscape.

This year, we invested more effort in climate action by assisting organisations and colleagues who are working to mitigate the effects of climate change on disadvantaged communities. We also continued working with various partners to address the enduring financial challenges faced by organisations as a result of de-risking and debanking.

I am pleased to report that this year, we have advanced our initiatives in Sector Improvement, Policy, and Advocacy in response to urgent concerns raised by our colleagues throughout the sector. From crisis communication strategies to analysing the effects of the cost of living on donor behaviour, we are committed to delivering pertinent information and support to organisations of varying sizes.

Of course, our biggest achievement of the year was the Muslim Charities Convention The Blessings of The Collective which we held in London. Hosting over 40 speakers, 26 exhibitors and sold-out tickets to over 300 delegates, this fully-packed one-day conference was an amazing opportunity to connect and learn together. At MCF we truly believe in the blessings that arise from collaboration and raising one another up and we were honoured to see so many of you that day who share our vision. My sincere thanks go to the team, volunteers, speakers and facilitators who invested their time and knowledge in making the day successful and possible.

Our sector is growing, while the needs of the various communities we serve are increasing at a faster rate, exceeding the available time and resources. This places more pressure on us to be more innovative and increase our capacity to empower and support grassroots charities and community groups further.

The journey to persuade friends and partners in the funding sector about the importance of system change, as well as the necessity and benefits of strategically supporting infrastructure networks such as MCF, continues.

Yours faithfully,
Fadi Itani OBE
Chief Executive Officer

THE MCF STORY

Our founder, Dr Hany El Banna, has dedicated his lifetime to one of philanthropy, helping others and creating innovation for social good. Back in 2007, in response to the growing number of British Muslim-led charities, his vision was for a strong and unified charity sector that serves the needs of the community together. He identified the importance of unity and therefore set out to create a forum where Muslim charities could come together to learn and support one another.

Muslim Charities Forum was created to be a source for Muslim social action which would enable Muslim charities to become more effective and reach their full potential. In 2007, MCF was formed as a space for charities to connect, represent and support one another and within the mainstream charity sector. Fifteen years later and we are now the UK network for British Muslim charities working for social good in the UK and abroad, connected with over 400 charities serving people in need to combat poverty, homelessness, sickness, or suffering.

Through our network, we collectively build a more accountable, transparent, and efficient Muslim charitable sector to improve our ability, both as individual organisations and as a sector, to contribute to a more just and sustainable world.

1

HUMANITY

We believe that all human beings are created equal and with the same God-given dignity: serving humankind regardless of any differences is one of the most noble actions any person can undertake.

2

ACCOUNTABILITY

We believe that all resources are made available by God in the form of trust: we are 'trustees' of the resources at our disposal and we are accountable to the people we serve, the public, regulatory bodies and ultimately to God for our actions.

3

TRANSPARENCY

Our shared faith encourages us to be truthful and reliable, and to keep records of our interactions. Therefore, we are committed to be clear and open about our policies, our resources, and our impact.

4

EFFECTIVENESS

We strive to be productive and to avoid wastefulness. Therefore, we are committed to conducting efficient allocation of resources and to monitor our performance.

5

EXCELLENCE

Our values and ethics, founded in our faith, mean we aim for excellence in all that we do. Therefore, we are committed to operate in a legal, ethical, and professional way, doing things with sincere intentions and in the best, most correct, and most complete manner.

OUR
CORE
VALUES

WHAT WE DO

We pursue our vision and mission by working in three fundamental areas:



WE SUPPORT

We support MCF members and their staff by providing a range of services to enhance their capabilities and help them to respond to a rapidly evolving environment. Through sector improvement, we strive to support our charities to strengthen their accountability to stakeholders, improve their efficiency and have greater impact. Members benefit from: Free/affordable opportunities for organisational and individual development and growth.



WE CONNECT

We improve connections between MCF members and other charities and NGOs (international and domestic), regulatory bodies, civil society actors, academia, and the private sector, so that together we can be more impactful. Members benefit from: Access to networking opportunities within the British Muslim and wider charitable sector, which are difficult to access as a single organisation.



WE REPRESENT

We listen to the needs and challenges of MCF members and provide a joint voice and representation for the British Muslim charitable sector at a national level.

OUR TRUSTEES



Hameed Al-Alsaly
Director of Emerging
Markets at Human Appeal



Dr. Hany El-Banna OBE
Founder of MCF
(Independent)



Madiha Raza
Public Affairs and
Communications Expert
(Independent)



Moazzam Malik CMG
Chairman of MCF
(Independent)



Mukhtar Karim
CEO, The Lady Fatemah
Charitable Trust



Saffa Mir
Charities, Education and
Social Enterprise Lawyer
(Independent)



Shuaib Yusaf
MCF Treasurer &
CEO of Al-Khair Foundation



Syed Lakhte Hassanain
Chairman of Muslim Hands



Tufail Hussain
Director of
Islamic Relief UK

INTERNAL DEVELOPMENT

Funding Partners



During this period, we were honoured to receive support from **City Bridge Foundation**, London's biggest independent charity funder. Their support enabled us to launch our Advocacy stream of work, representing the sector in pressing issues and working to remove barriers to growth.

Membership

The following charities joined Muslim Charities Forum as members during the period April-July 2023:



The MCF Team

Samiira Hasan, a former Future Leader with MCF, joined the staff team as **Climate Action Lead**. The role is supported by the **Aziz Foundation**.



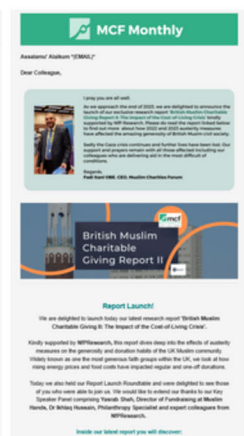
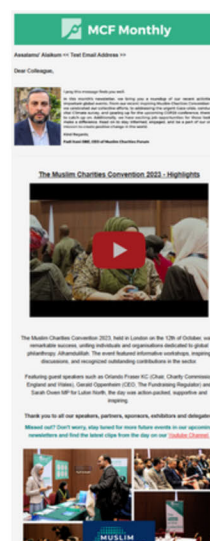
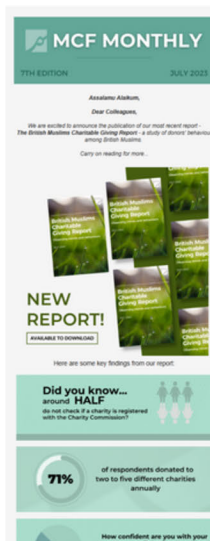
Abdulsami Arjumand joined as **Policy and Advocacy Lead**, working on supporting the issues which affect the sector to raise representation. This role is supported by **City Bridge Foundation**.

Mudaser Ali joined the team as **Head of Development** with a focus on sector improvement. This role is supported by **City Bridge Foundation**.



Outreach Communications

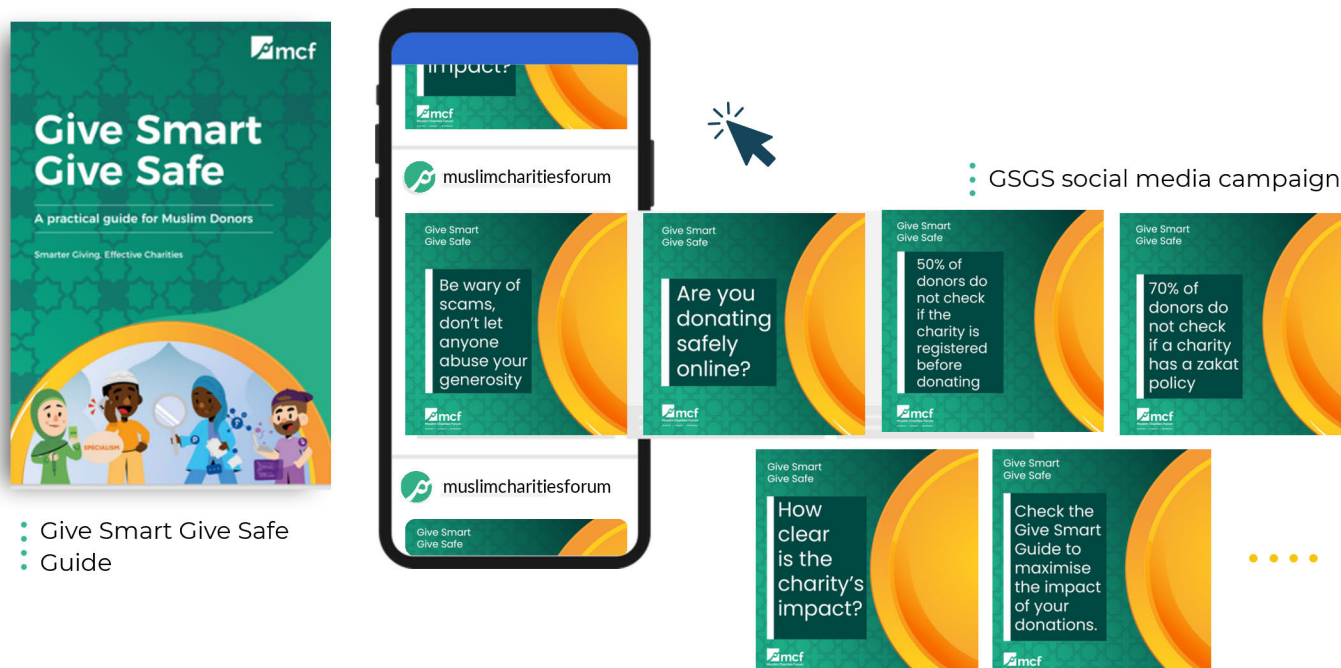
We continued to connect and inform our colleagues across the sector through MCF Monthly, our email newsletter. Featuring highlights from the work of the team, partners, the latest news, grant and job opportunities, the readership of the monthly newsletter has grown to more than 800 subscribers.



GIVE SMART GIVE SAFE

2023

For the third year, MCF continued the educational campaign of raising knowledge and awareness among donors about **safe online charitable giving** through an animated video series, social media posts, and MCF's practical Give Smart Give safe guide. This campaign took place during the holy month of Ramadan when giving increases and British Muslims give in excess of £100 million to domestic and international causes. The campaign aims to promote safer giving and effective charities with key topics including **charity registration, zakat compliance, admin costs, Gift Aid, the contentious 100% donation policy, addressing misinformation** and other related topics.



As part of the social media campaign, adverts ran across Islam Channel platforms during the month of Ramadan.

On the 6th of April MCF's CEO Fadi Itani and Digital Media Officer intern Sumaya Chowdhry discussed the GSGS campaign in more detail at **Islam Channel on 'The Big Ramadan Show'**.



- Sumaya Choudhury, *Future Leader* and Fadi Itani, *CEO* featuring on Islam Channel

COST OF LIVING CRISIS

In partnership with **NfP Research**, MCF launched a survey to conduct national research into the impact of the Cost-of-Living crisis on volunteering and charitable giving of the UK Muslim community.

The report launched on the 13th December was supported by an online roundtable discussion about the key findings and was well received across the sector.

Key findings from those British Muslims surveyed included:

- 1 British Muslims share many common concerns – though some are unique to this community.
- 2 The cost-of-living crisis has hurt personal finances.
- 3 British Muslims were likely to anticipate spending cutbacks.
- 4 Donation motivators and methods tend to be faith-based.
- 5 Volunteering is popular, but has become more difficult.



2021-2022 edition



British Muslim Charitable Giving Report II

Report Launch & Roundtable discussion

CLIMATE ACTION

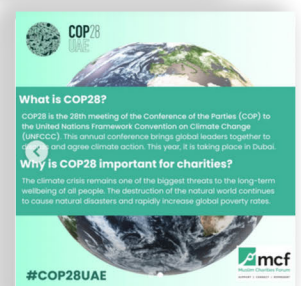
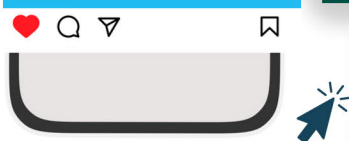
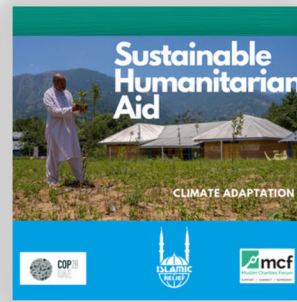
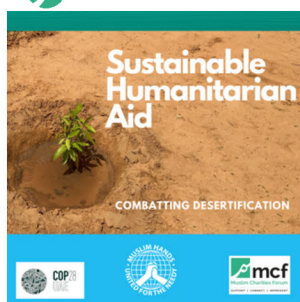
To continue our work in climate action awareness, on the 18th May MCF held a **Climate Action Round-table** to coordinate and discuss how organisations can implement climate action in preparation for the Great Big Green Week. Key speakers included Islamic Relief UK, The Climate Coalition, Ummah for Earth and Greenpeace MENA.



- Climate Action
- Roundtable discussion

COP28

MCF promoted continued awareness and provided key updates and calls to action across social media for the duration of **COP28**, the 2023 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC which was held in Dubai from 30th November - 12th December.



COP28 Social Media Posts

GREAT BIG GREEN WEEK

2023



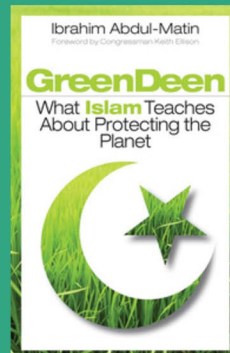
During the **Great Big Green Week**, MCF promoted sustainable practices by sharing knowledge, projects, tips and resources for individuals and organisations in the sector for climate action.

These included:

- **Big Green Jummah** - MCF encouraged climate action awareness by reaching out to UK mosques to dedicate their Khutbah on Friday 16th of June to embracing sustainability as Muslims and looking after the environment.
- **Islam Channel 'Salaam Britain'** - MCF was invited to discuss the Great Big Green Week and the Big Green Jummah project. Sumaya discussed the positive response to this campaign and MCF's success stories as an organisation raising awareness about the responsibility of the Muslim community as khalifas of this world.
- Samiira undertook climate communications training with **Media Trust** (Weston Communicating Climate Programme | Media Trust)
- 29th September - MCF created a **blog post** to highlight the impact of government decision-making concerning climate action. Charity leaders are asking the government to reconsider their decisions as this will exacerbate the suffering of many vulnerable groups.
- 24th October - MCF takes part in the **International Day of Climate Action** with The Climate Action Survey, researching how Muslim charities and organisations can be supported in implementing sustainable practices and environmental projects. Also, a giveaway for the first 20 respondents included receiving a free copy of 'Green Deen What Islam Teaches about Protecting the Planet'.



Sumaya Choudhury, Future Leader on Islam Channel's 'Salaam Britain' for GBGW



Green Deen What Islam Teaches about Protecting the Planet



MUSLIM CHARITIES CONVENTION 2023



In October we were delighted to organise and host **The Blessings Of The Collective**, our first ever Muslim Charities Convention 2023 (MCC23).

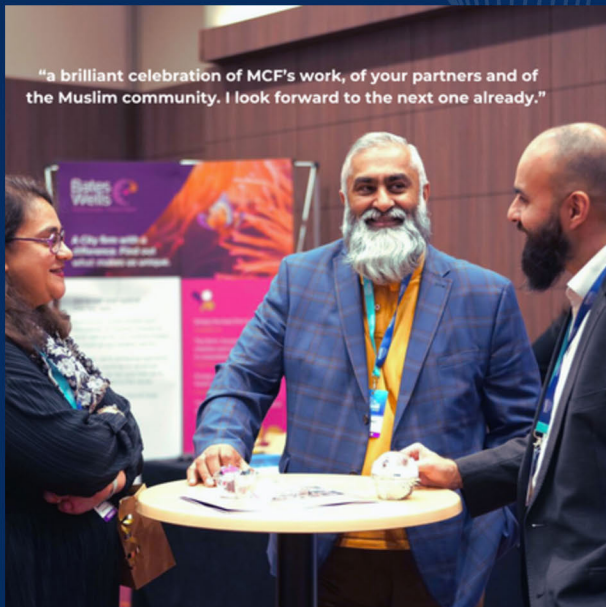
Held in London on **October 12th**, this inaugural event culminated many months of work and organisation to bring together key speakers, specialist workshops, networking, advice and support to over **300 delegates from across the sector**.

Tickets went on sale on July 12th and sold out, attracting colleagues and supporters from across the UK for a full day conference. With over **40 speakers**, and **26 exhibitors**, the event focused on the potential of Muslim charities working together to expand their impact.

Keynote speakers included **Sarah Owen MP**, **Orlando Fraser** Chair of the Charity Commission and **Gerald Oppenheim**, Chief Executive of the Fundraising Regulator, and Trustee and Deputy Chair at National Emergencies Trust.

Workshops covered topics like **governance, safeguarding, pioneering women, cybersecurity, fundraising, charity investment and communications crisis management**.





We were honoured to have **Pfida** as Platinum Partner for MCC23 - an ethical fin-tech striving to provide equal and fair opportunities to save and invest with Shariah compliance.

Euro Quality Foundation as Gold Partner - a charitable arm of Euro Quality Lambs that distributes funds to inspirational organisations and projects that eliminate poverty & social injustice.

MCF member **The Lady Fatemah Charitable Trust** as Gold Partner & small charities Delegates Sponsor. Long-serving members **Al-Khair Foundation** and **Islamic Relief** provided their support as a Gold Partner too.

Bates Wells solicitors were announced as our legal partner and **Barrow Cadbury Trust** as strategic partner.

The event was supported by a media campaign across **BBC Radio**, sector and mainstream news outlets, raising awareness of the value and contribution of UK Muslim-led charities. It was a very busy day, our efforts were rewarded with excellent attendance and positive feedback from multiple colleagues and organisations who described it as **“long-awaited”** and **“the highlight of the year”**.

A huge thank you to the MCF team and volunteers who made the day possible.

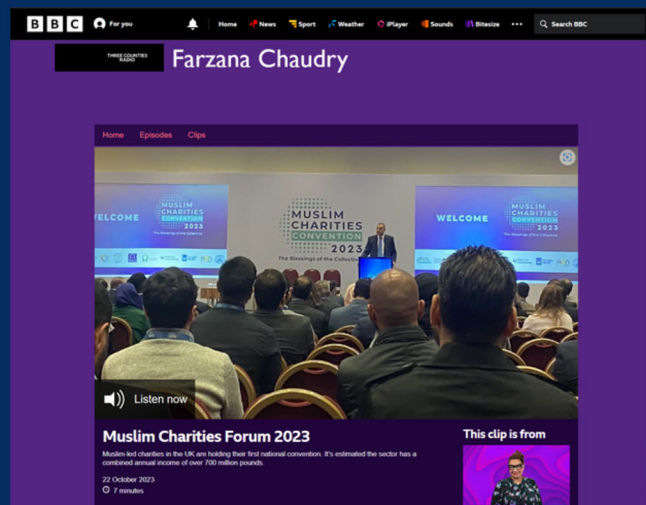
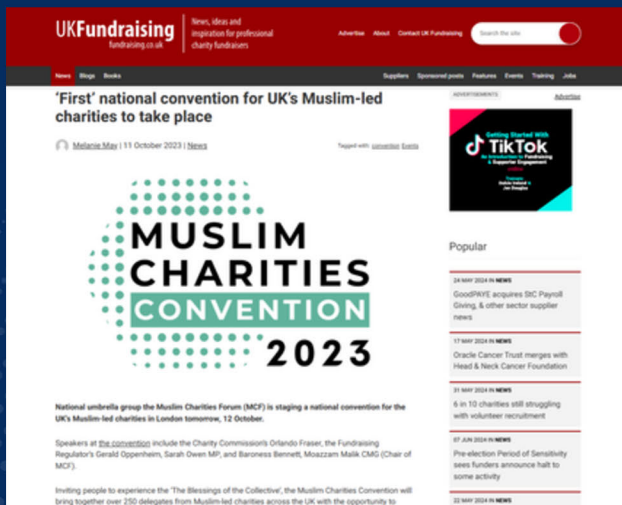


- Orlando Fraser, Chair of the Charity Commission
- with Chairman Moazzam Malik



Over
40

speakers

Over **300** delegates**26** exhibitors1 full
day**9** workshops**12** breakouts and panels

MCC23 media coverage; UKFundraising, BBC News

With gratitude to our Convention Partners:

pfidc



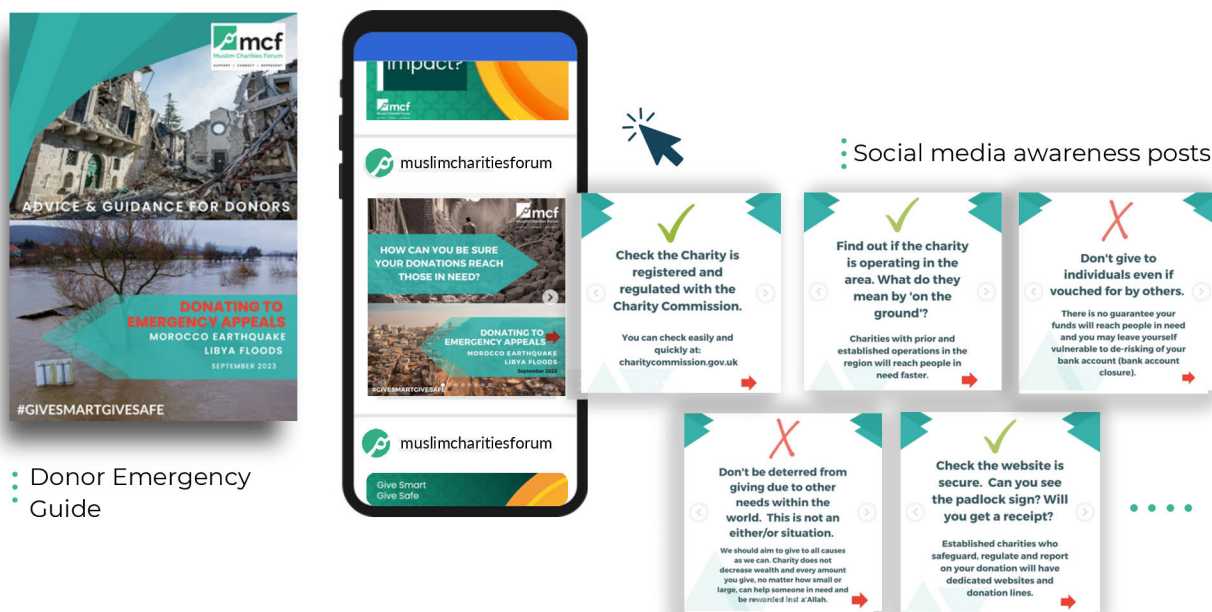
Bates Wells



GLOBAL CRISIS RESPONSE

2023 saw an unprecedented number of international crises and natural disaster. As part of our work to support our INGO colleagues, we provided strategic support to colleagues working on the ground in disaster areas, coordinating situational updates and response.

These included producing social media posts and an updated **Donor Emergency Guide** for the Morocco Earthquake (8th Sept) and the Libya floods (10 Sept).



Donor Emergency Guide

DE-RISKING

A long-term issue affecting many charities within the Muslim and mainstream charitable sector, we continued our work in raising awareness of the financial obstacles and challenges faced by many of our organisational colleagues.

MCF launched a survey about de-banking and de-risking to compile important evidence that highlights the barriers Muslim non-profit organisations face when accessing mainstream banking. On the 14th August, our CEO published a Civil Society article, discussing the banking issues that members have faced for decades and calling for awareness and action.

We also partnered with Bond, Charity Finance Group, and Conciliation Resources to conduct a comprehensive survey concerning the issue of debanking and derisking faced by Muslim charity organisations to understand the impact of counter-terrorism regulations.

Our CEO, penned another article for Civil Society magazine on November 15th, shedding light again on the obstacles faced by Muslim-led charities due to sudden bank account closures. He emphasised the need for banks to address these challenges and urged for a thorough review of banking practices along with increased transparency in decision-making processes.



PARTNERSHIPS

As part of our work representing the sector, we partner with mainstream organisations to raise awareness of concerns, barriers, and to work collaboratively to improve social action and civic engagement.

On the 22nd June we were delighted to announce our partnership with **Vision for Volunteering**. A movement dedicated to creating a diverse and innovative future for volunteering.



We were also honoured to join **Climate Action for Associations (CAFA)** - a membership striving to implement sustainability programmes to make organisational changes across the sector.



In the same month, from our long-term relationship supporting the Great Big Green Week, we were delighted to announce that we have joined The Climate Coalition - an organisation committed to tackling climate change via government advocacy and campaigns, such as GBGW which MCF has been a part of since 2021 to protect and restore UK nature.



DOMESTIC OUTREACH & RESPONSE

- 2nd May - MCF Future Leaders took part in an **engaging Q&A** with the Lord Mayor of Westminster, **Hamza Taouzzale** about his journey into politics.
- MCF joined an **evening hosted by H.E. Mr Osman Koray Ertas**, the new ambassador, to thank Muslim charities for their humanitarian efforts for the Syria and Turkiye Earthquake victims earlier this year. MCF also presented him with a small token of appreciation for his hospitality.
- 11th May - MCF joined Muslim Hands at **'The Open Kitchen'**, providing essential resources, such as free hot food to those in need in the community of Hounslow.
- Future Leaders attended the **NCS Take Action Event** - an opportunity to reflect on the skills developed and to boost confidence as a changemaker.
- 1st June - 7th June: MCF celebrates **Volunteers Week** by featuring the work of different volunteers across the British Muslim charity sector on social media.
- August 2023 MCF was hosted by **Sufra NW** London at Stonebridge, a charity organisation and food/support hub providing support to the local community.



- Evening hosted by Turkish ambassador
- H.E. Mr Osman Koray Ertas



Lord Mayor of Westminster
Hamza Taouzzale with MCF
Future Leaders

PUBLICATIONS

Over the past year, MCF has published select literary pieces, on topical regions as well as updating existing publications. This includes:



A special Zakat Edition of the Forum

Special edition of The Forum - Zakat: Modern Challenges and Practical Solutions. A range of articles by diverse contributors from the sector, covering different elements of Zakat, including Sharia governance, Islamic jurisprudence, localisation of Zakat, Digital Zakat Distribution and how Zakat is beyond a mere transaction handled by Muslim charities.

The British Muslims Charitable Giving Report II

A report that gives insight into British Muslim charities and Muslim donors' experiences and attitudes.



The British Muslims Charitable Giving Report

Our first report looked at donor awareness and behaviours across the community and sector, providing valuable insights into the motivations and barriers to fundraising.

FINANCIAL REPORTING SECTION

FINANCIAL REVIEW

Muslim Charities Forum received donations, grants and other income worth £357,447 compared to £475,738 in year ended 31 March 2023. The statement of Financial Activities portrays that Muslim Charities Forum spent £346,417 on charitable activities.

At 31 December 2023 we carried forward a positive bank balance of £258,220.

Reserves Policy

It is the policy of MCF that unrestricted funds which have not been designated for a specific use should be maintained at a level which will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. It is also the MCF policy to hold sufficient funds, currently three months for administrative expenditures, or currently at £50,000 for closure of the charity should the need arise. The current level of unrestricted reserves, as at 31 December 2023, is £160,795.

Risk management

The trustees continue to assess the major risks to which MCF is exposed to and are satisfied that systems are in place to mitigate the exposure to major risks. Beside the reliance on Members' fees, the charity has made good progress in diversifying its funding model and it is now attracting support from some Trusts and Foundations. The trustees have discussed this and recommended more focus on this area and in addition attracting more members, as well as exploring support from philanthropists with a keen interest in developing the Muslim charity sector.

Exclusively Charitable Activities

The members come from a wide spectrum of social and charitable backgrounds. The organisations and NGOs who benefit from the implementation of the aims of MCF are diverse. All their activities are regarded as "exclusively charitable" as defined by English law. The Board of trustees assists charities and organisations whose aims and activities are all entirely "exclusively charitable". The Board of trustees are fully aware of this requirement.

Public benefit

As a charity, Muslim Charities Forum must be able to demonstrate that its objects and activities are for the public benefit as required by the Charities Act 2011. The trustees have all reviewed the guidance issued by the Charity Commission on public benefit and have ensured that Muslim Charities Forum's objects and activities comply with this statutory requirement. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. This Report explains our main activities and achievements in carrying out our aim.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' 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 & 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 period. 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;
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper 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, 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.



Moazzam Malik CMG
Chairman



Shuaib Yusaf
Treasurer

Date: 20/08/2024

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSLIM CHARITIES FORUM

I report to the trustees on my examination of the accounts of the above charity for the period ended 31 December 2023.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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

- ♦ the accounting records were not kept in accordance with section 130 of the Act; or
- ♦ the accounts do not accord with those records; or
- ♦ the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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



John Howard, FCA
Azets
2nd Floor, Regis House
45 King William Street
London, EC4R 9AN

Date: 29 August 2024

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 31.12.23 £	Restricted funds 31.12.23 £	Total funds 31.12.23 £	Total funds 31.03.23 £
Income from					
Donations and legacies	2	275,107	82,340	357,447	475,738
Total income		275,107	82,340	357,447	475,738
Expenditure on					
Charitable activities	3	246,448	104,469	350,917	450,867
Total expenditure		246,448	104,469	350,917	450,867
Net income / (expenditure)		28,659	(22,129)	6,530	24,871
Transfer between funds		4,000	(4,000)		
Net movement in funds		32,659	(26,129)	6,530	24,871
Reconciliation of funds					
Total funds brought forward		128,136	126,241	254,377	229,506
Total funds carried forward		160,795	100,112	260,907	254,377

The notes on pages 29 to 36 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2023

		31 December 2023		31 March 2023	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		54		71
Current assets					
Debtors	10	16,250		54,965	
Cash at bank and in hand		258,220		204,708	
		274,470		259,673	
Creditors - amounts falling due within one year	11	(13,617)		(5,367)	
Net current assets			260,853		254,306
Net assets			260,907		254,377
Charity funds					
Restricted funds	12		100,112		126,241
Unrestricted funds	12		160,795		128,136
Total funds			260,907		254,377

The financial statements were approved by the trustees on 20/08/2024 and signed on their behalf, by:



Moazzam Malik CMG
Trustee

The notes on pages 29 to 36 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Muslim Charities Forum constitutes a public benefit entity as defined by FRS 102.

1.2 Reporting period

The period of financial reporting covers the nine month period from 1 April 2023 to 31 December 2023. The comparative information covers the period from 1 April 2022 to 31 March 2023. These differing length accounting periods will have an impact on the comparability of certain numbers within these financial statements.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted; the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP

(FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 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 allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

Fixtures and fittings	- 33% reducing balance
Computer equipment	- 33% reducing balance

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Debtors

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

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are

measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 31.12.23 £	Restricted funds 31.12.23 £	Total funds 31.12.23 £	Total funds 31.03.23 £
Donations	135	-	135	763
Projects and other income	200,772	82,340	283,112	318,925
Membership income	74,200	-	74,200	156,050
Total donations and legacies	275,107	82,340	357,447	475,738
<i>Total 31 March 2023</i>	201,621	274,117	475,738	

3. DIRECT COSTS - CURRENT PERIOD

	Governance £	Activities £	Total 31.12.23 £	Total 31.03.23 £
Wages, salaries & social security	-	75,158	75,158	112,533
Depreciation	-	17	17	34
Travel and subsistence	-	1,413	1,413	4,471
Bank charges	-	279	279	267
Membership fees	-	552	552	208
Rent, insurance & utilities	-	24,520	24,520	25,762
Sundry expenses	-	407	407	2,743
Printing, postage & stationery	-	1,179	1,179	575
Professional & legal	4,500	1,078	5,578	7,558
Project expenses	-	241,814	241,814	296,716
	4,500	346,417	350,917	450,867

DIRECT COSTS - PRIOR YEAR

	Governance £	Activities £	Total 31.03.23 £
Wages, salaries & social security	-	112,533	112,533
Depreciation	-	34	34
Travel and subsistence	-	4,471	4,471
Bank charges	-	267	267
Membership fees	-	208	208
Rent, insurance & utilities	-	25,762	25,762
Sundry expenses	-	2,743	2,743
Printing, postage & stationery	-	575	575
Professional & legal	4,500	3,058	7,558
Project expenses	-	296,716	296,716
	4,500	446,367	450,867

4. GOVERNANCE COSTS

	Unrestricted funds 31.12.23 £	Restricted funds 31.12.23 £	Total funds 31.12.23 £	Total funds 31.03.23 £
Governance	4,500	-	4,500	4,500

5. ANALYSIS OF EXPENDITURE-BY-EXPENDITURE TYPE

	Total 31.12.23 £	Total 31.03.23 £
Charitable activities	346,417	446,367
Expenditure on governance	4,500	4,500
	350,917	450,867

6. NET INCOME/ (EXPENDITURE)

This is stated after charging:

	31 December 2023 £	31 March 2023 £
Depreciation of tangible fixed assets - owned by the charity	17	34

During the year, no trustees received any remuneration (Year ended 31 March 2023 - £NIL).

During the year, no trustees received any benefits in kind (Year ended 31 March 2023 - £NIL).

During the year, no trustees received any reimbursement of expenses (Year ended 31 March 2023 - £NIL).

7. EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £4,500 including VAT (Year ended 31 March 2023 : £4,500).

8. STAFF COSTS

	Total 31.12.23 £	Total 31.03.23 £
Wages - Administrative expenses	75,158	112,533
Wages - Project expenses	134,107	179,227
	209,265	291,760

The average number of persons employed by the charity during the period was 9 (Year ended 31 March 2023: 11).

No employees received remuneration of more than £60,000 in the period. (Year ended 31 March 2023: One employee received remuneration between £80,000 and £90,000 in the year)

9. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2023 and 31 March 2023	1,970	9,195	11,165
Depreciation			
At 1 April 2023	1,949	9,145	11,094
Charge for the period	5	12	17
At 31 December 2023	1,954	9,157	11,111
Net book value			
At 31 December 2023	16	38	54
At 31 March 2023	21	50	71

10. DEBTORS

	31 December 2023 £	31 March 2023 £
Trade debtors	16,250	54,965

11. CREDITORS

	31 December 2023 £	31 March 2023 £
Trade creditors	4,222	68
Other taxation and social security	395	799
Accruals	9,000	4,500
	13,617	5,367

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfer £	Balance at 31 December 2023 £
Unrestricted funds					
General funds	127,086	235,107	(204,815)	3,417	160,795
The Tudor Trust	1,050	40,000	(41,633)	583	-
Restricted funds					
Barrow Cadbury Trust	17,982	22,500	(15,948)	-	24,534
Global Majority Fund	-	4,000	-	(4,000)	-
The Climate Action Project	10,097	8,000	(15,949)	-	2,148
NCS	64,474	47,840	(44,170)	-	68,144
UK Response Project	33,688	-	(28,402)	-	5,286
Total of funds	254,377	357,447	(350,917)	-	260,907

Description of Restricted Funds

Barrow Cadbury Trust: is a restricted grant to map Muslim organisations in the UK, their contributions and challenges with a view to strengthen the sector as a whole.

Global Majority Fund: the funding is co-financed by Comic Relief and National Emergencies trust in relation to specific terms set out by the donor.

The Climate Action Project: is restricted funding which aims to increase the British Muslim-led charitable sector's understanding, response and commitment to climate action.

NCS: is funding in relation to the provision of 9 month placement opportunities for young people aged 18-24 years.

UK Response Project: is restricted grants in relation to strengthening the profile of Muslim-led charities to ensure the needs of vulnerable and disadvantaged communities are prioritised. The grants are from Islamic Relief, Muslim Hands and Al-Khair Foundation.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
General funds	159,434	179,621	(211,969)	127,086
The Tudor Trust	10,283	22,000	(31,233)	1,050
Restricted funds				
VCSEP	1,564	-	(1,564)	-
Barrow Cadbury Trust	10,835	19,350	(12,203)	17,982
Global Majority Fund	22,087	4,000	(26,087)	-
The Climate Coalition	915	14,000	(4,818)	10,097
NCS	7,516	216,767	(159,809)	64,474
UK Response Project	20,000	20,000	(6,312)	33,688
Total of funds	229,506	475,738	(450,867)	254,377

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 31.12.23 £	Restricted funds 31.12.23 £	Total funds 31.12.23 £
Tangible fixed assets	54	-	54
Current assets	174,358	100,112	274,470
Creditors due within one year	(13,617)	-	(13,617)
	160,795	100,112	260,907

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 31.03.23 £	Restricted funds 31.03.23 £	Total funds 31.03.23 £
Tangible fixed assets	71	-	71
Current assets	133,432	126,241	259,673
Creditors due within one year	(5,367)	-	(5,367)
	128,136	126,241	254,377

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2023 the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2023 £	31 March 2023 £
Not later than 1 year	28,050	16,400

15. RELATED PARTY TRANSACTIONS

	Received £	Paid £	Balance at period end £
Zakat House	-	20,950	-
Human Appeal	18,750	-	-
Islamic Relief UK	6,500	-	-
Muslim Hands	6,200	-	-
Al Khair Foundation	6,500	-	-
The Lady Fatemah Trust	44,000	-	15,000

The charity has received funds or made payment to other organisations where the trustees have involvement as follows:

Zakat House - Dr. Hany El Banna is a chair and the MCF trustee.

Human Appeal – Hameed El Asaly is a Director and an MCF trustee.

Islamic Relief UK - Tufail Hussain is the UK Director and an MCF Trustee.

Muslim Hands - Syed Lakthe Hassanain is the Chairman and an MCF Trustee.

Al-Khair Foundation - Mr Shuaib Yusaf is the Chief Executive and the MCF Treasurer.

The Lady Fatemah Trust - Mukhtar Karim is the CEO and an MCF Trustee.



Registered Charity No. 1166149

We are the UK network for British Muslim charities working for social good in the UK and abroad. Through our network, we aim to collectively build a more accountable, transparent and efficient British Muslim charitable sector, in order to improve our ability, both as individual organisations and as a sector, to contribute to a more just and sustainable world.

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