

MUSLIM FEDERATION CLEVELAND

Charity Registration 702212

Annual Report 2020

Unit 12 Cannon Park Way, Middlesbrough TS1 5JU Tel: 01642 873305
Fax: 01642 873307, Email: info@abubakr.org.uk, website: www.abubakr.org.uk

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MUSLIM FEDERATION CLEVELAND

Summary

Organisation's name: Muslim Federation in Cleveland

Charity registration: 702212

Address: Abu-Bakr Mosque and Community Centre
Unit 12, Cannon Park Way
Middlesbrough
TS1 5JU

Telephone: 01642 87 33 05

Fax: 01642 87 33 07

Email: info@abubakr.org.uk

Website: www.abubakr.org.uk

Date of establishment: 1989 – Registered 25 January 1990

Management Committee Members:

Mr. Ali Luft	Chairman
Dr. Fakhri Al-Khabbas	Secretary
Mr. Khaldon Shokri	Treasurer
Dr. Mamdouh Alnaggar	Member
Mr. Abdi Israhim Handulleh	Member
Mr. Rasheed Abdi	Member
Mr. Alwan Hassan	Member
Mr. Osman Med Yussouf	Member

Staff Members:

- 2 Full Time Ministers of Religion
- 1 Part time Administration Worker
- 1 Part Time Cleaner

Summary of services:

Religious Services	General Information & Advice
Learning Arabic	Information and advice
Community meetings	Networking with agencies
Social activities	Cultural activities
Marriage Registrations	Sport activities / Play schemes

CHAIRMAN'S EXECUTIVE SUMMARY

I am pleased as chairman of the Muslim Federation Cleveland to introduce the annual report for the year ending 31st December 2020. This year has been particularly challenging and extraordinary as we have been through a series of lockdowns due to the Covid-19 pandemic.

The pandemic had obviously had and still has a devastating effect on all communities, and the adjustments that were needed to mitigate the effects of the pandemic were difficult, painful, and the least very challenging and costly.

Fundraising has been severely hit as the mosque was closed for a number of months in line with Covid related government guidance and regulations. Despite having an online donation platform, the bulk of fundraising is through personal donations from members of the congregation visiting the centre.

The progress of the new project has faced many difficulties, despite our best efforts, the initial design has been very difficult to achieve, and we have, based on the challenges on the ground and the Covid extreme situation, decided to introduce an amendment to the project by removing the basement car park and allocating a parking space on the ground floor. The amended plans have been submitted to the Council for approval and we are still waiting for their reply.

The organisation maintained some of the vital services such as regular prayers when allowed during lockdowns, marriage ceremonies, and other essential services. Many other activities of social, cultural, and recreational nature had to be cancelled due to the Covid pandemic.

The Mosque as usual continued to play an important role in providing open access to all schools in and out of Middlesbrough with the aim of facilitating learning and helping schools in providing their religious education programme.

Finally I would like to thank all trustees, members of the management committee, staff, users, and external visitors for their commitment and support in making this place an important and useful pivot which benefits all sections of the community in general and the Muslim one in particular.

Yours Faithfully,
Mr. Ali Luft / Chairman

2020 ACTIVITIES

Religious Welfare: Covid Regulations permitting

All daily prayers (5 prayers per day)	Eid ul fitr and Eid ul Adha Prayers
Friday sermon and prayer in Arabic and English	Quran teaching and open days
Taraweeh Prayers in Ramadan 1442 Hijri	Religious lectures and seminars
Night prayer in the last 10 days of Ramadan	Religious celebrations

Education & Teaching:

School education was cancelled due to Covid to help curb the spread of the virus and reduce infection.

Ramadan Meals:

As usual the mosque provided fast breaking (iftar) meals throughout the holy month of Ramadan 1442, where 1000 full meals were served. Most of the beneficiaries were from the local refugee communities and homeless and vulnerable people. Iftar 50 meals / suhur 50 meals.

Eids' Celebration:

Eid celebrations were limited to brief prayers with strict social distancing and Covid measures in place.

Marriage Registration:

The Mosque as a registered charity organization and officially recognized and licensed marriage building provided both Islamic and civil marriage services according to the procedures in place.

Advice and Guidance:

The Organisation as a key player in the community service provision worked in partnership with several voluntary and statutory organisations to help find the

right solutions to support the residing Muslim community and to give Muslims some sort of assurance, a sense of reference, and to facilitate integration in the wider community.

Work also extended to refugees from Syria and Africa mainly Sudan where there was an influx of new arrivals throughout the year, the role of the mosque was to facilitate integration and help people become more independent.

Most of the guidance though was of health and safeguarding nature to inform and guide with the NHS Support and intervention all members of the community to follow government guidance due to the Covid pandemic.

MINISTERS OF RELIGION'S REPORT:

Due to the Covid situation our spiritual and religious services at the Mosque had to be reviewed , to adapt to the new Covid situation changes and adjustments had to be made to safely cater for the community needs without compromising everyone safety. The services revolved around the following:

- Performing the 5 daily prayers
- Delivering Friday sermon and conducting the prayer (Arabic & English)
- Conducting Funeral prayers when required
- Delivering Eids sermon and conducting prayers
- Teaching the noble Quran memorization for children
- Teaching Islamic education and Arabic language
- Hospital, home, and prisons visits
- Religious briefings and presentations
- Regular seminars with known guest speakers
- Hosting school visits to present Islam and promote RE
- Networking with the local authorities to help the community
- Promoting a good standard of educational and social activities

We hope that this summary has given you an insight into the many activities around the year to serve Islam and Muslims, and to present the Muslim community in the best manner in relation to representation, involvement and engagement in daily life, and peaceful coexistence in the town and country.

Yours faithfully,
The Ministers of religion
Imam Waleid Allam & Imam Mohamed Hasan

TREASURER 'S REPORT:

It is my pleasure to present this annual account of the Muslim Federation in Cleveland for the year ending 31st December 2020. This account includes details of income and expenditure relating to the management of the organization in respect of salaries, insurance, activities, maintenance, and stationary for the school and administration, and other activities.

The Muslim Federation income is mainly made up of kind donations from members of the local Muslim community, the rent of the houses belonging to the mosque, and from seasonal support from charitable organisations especially during the month of Ramadan. This 2020 year has been unusual and very difficult, the income of the organisation has practically halved compared to last year.

I would like to thank the Management Committee Members for their continued and consistent support and efforts in raising funds as well as every donor who contributed to increasing the mosque income. These efforts and contributions are necessary to enable the management committee to fulfill its mission of serving the Muslim Community and to provide a safe place with all main features to engage in diverse socio-cultural activities.

Mr. K Shokri
Treasurer

Income & Expenditure Account 2020

Income 2020

£ 101,715.00

Refer to 2020 Accounts next page for more details

Expenditure 2020

£ 60,754.00

Refer to 2020 Accounts next page for details

**Surplus of income over
expenditure = £ 40,961**

**Muslim Federation in Cleveland
Detailed Statement of Financial Activities
Year ended 31 December 2020**

Income and endowments	£
Donations and legacies	
General donations	31,714
Congregation donations	29,223
Government grant	15,146
Other income	8,232
Other income	
Rents received	17,400
Total income	101,715

Expenditure

Expenditure on charitable activities	
Wages and salaries	32,214
Rent	10,000
Rates and water	958
Light and heat	6,575
Repairs and maintenance	1,537
Insurance	1,052
Motor vehicle expenses	1,703
Other motor/ travel costs	-
Legal and professional fees	228
Telephone	1,140
Other office costs	2,022
Depreciation	2,534
Ramadan activities	655
School activities –	-
Other expenditure	136
New project	-
Total expenditure	60,754

Net income	40,961
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ACKNOWLEDGEMENTS

The Trustees and the Management Committee would like to express their sincere thanks to all those who participated and made things easy and contributed to the success of the Abu Bakr Mosque and Cultural Centre mission in their different capacity whether by their generous donations or by professional expertise or attendance, and their encouragements.

The Trustees would also like to thank our brothers and sisters in the Middle East countries such the State of Qatar, The Saudi Arabia Kingdom, The State of Kuwait, The Sultanate of Oman, and the United Arab Emirates for their support in the past since the establishment of Abu Bakr.

Our gratitude also extends to the local voluntary and statutory organizations, Middlesbrough Council, The Mayor of Middlesbrough, Cleveland Constabulary, the Fire Brigade and all Public services involved with Abu Bakr Mosque and Cultural Centre.

Thank You....

Peace be upon you

Ali Luft
Chairman

_____ End of report.

MUSLIM FEDERATION CLEVELAND

Charity Registration 702212

Annual Accounts 2020

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**Statement of Financial Activities
As of 31 December 2020**

	2020			2019
	Unrestricted funds £	Restricted funds £	Total funds £	Restricted funds
Income and endowments				
Donations and legacies	53,186	31,129	84,315	185,661
Other income	17,400	-	17,400	17,400
Total income	70,586	31,129	101,715	203,061
Expenditure				
Expenditure on charitable activities	60,755	-	60,754	71,250
Total expenditure	60,755	-	60,754	71,250
Net income and net movement in funds	9,831	31,129	40,961	131,811
Reconciliation of funds				
Total funding brought forward	1,361,585	87,377	1,448,962	1,317,152
Total fund carried forward	1,371,416	118,506	1,449,922	1,448,962
The Statement of financial activities includes all gains and losses recognized in the year. All income and expenditure derive from continuing activities.				

Muslim Federation in Cleveland
Detailed Statement of Financial Activities
Year ended 31 December 2020

Income and endowments	£
Donations and legacies	
General donations	31,714
Congregation donations	29,223
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Other income	8,232
Other income	
Rents received	17,400
Total income	101,715
Expenditure	
Expenditure on charitable activities	
Wages and salaries	32,214
Rent	10,000
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Light and heat	6,575
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Other office costs	2,022
Depreciation	2,534
Ramadan activities	655
School activities –	-
Other expenditure	136
New project	-
Total expenditure	60,754
Net income	40,961

Muslim Federation in Cleveland
Assets and Liabilities
Year ended 31 December 2020

	2020		2019
Fixed assets			
Tangible fixed assets		649,011	651,545
Investments		181,000	181,000
		830,011	832,545
Current Assets			
Cash at bank and in hand	661,916		618,320
Creditors: amounts falling due within one year	2,004		1,902
Net Current Assets		659,912	616,418
Total assets less current liabilities		1,489,923	1,448,963
Net assets		1,489,923	1,448,963
Funds of the Charity			
Restricted funds		118,506	204,690
Unrestricted funds		1,371,416	1,244,272
Total Charity Funds		1,489,922	1,448,962

These statements were approved by the Board of Trustees and authorized for issue on 10 October 2021.

CHARITY REGISTRATION NUMBER: 702212

Muslim Federation in Cleveland
Unaudited Financial Statements
31 December 2020

CHUHAN & SINGH PARTNERSHIP LIMITED
Chartered Accountants
81 Borough Road
Middlesbrough
TS1 3AA

Muslim Federation in Cleveland
Financial Statements

Year ended 31 December 2020

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Muslim Federation in Cleveland

Trustees' Annual Report

Year ended 31 December 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name Muslim Federation in Cleveland

Charity registration number 702212

Principal office
9 Park Road North
Middlesbrough
TS1 3LF

The trustees

Mr A Luft
Dr F Al-Khabbas
Dr M El-Naggar
Mr K Shokri

Independent examiner Mr G.H Singh

Muslim Federation in Cleveland

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Structure, governance and management

The Muslim Federation in Cleveland is a constituted charitable trust registered with the Charity Commission under charity number 702212 and operates within the framework of its governing document. It is governed by a constitution which was adopted on 2nd December 1989.

Organisational Structure

The charity trustees are responsible for the general control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits. The trustees meet together, as a body, monthly and are responsible for all decisions taken in relation to running the centre, the community facilities and the activities provided by the charity.

Recruitment and appointment of trustees

The existing trustees are responsible for the recruitment of new trustees but in so doing the trustees seek the views and recommendations of the congregation and members of the charity. The trustees believe this approach ensures that good relations are fostered between the organisation and the people of the local community that we serve. In selecting new trustees, the existing trustees seek to identify people who regularly attend events and functions organised by the charity and are willing to volunteer to help in broader community work. Potential trustees are invited to attend trustees' meetings as observers and are given more details of the charity's aims and activities. With the agreement of existing trustees the individual is then proposed as a new trustee at the subsequent trustees' meeting. This process allows for due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Induction and training of trustees

Following appointment, new trustees are introduced to their new role and given copies of the charity's constitution and a guide to the policies and procedures adopted by the charity. A number of publications from the Charity Commission are also provided including guidance on charities and public benefit and on the advancement of religion for public benefit. This ensures that new trustees are aware of the scope of their responsibilities under the Charities Act. Initially, new trustees work with an existing trustee assisting on particular activities and projects run by the charity. After satisfactory feedback from existing trustees, they are then given the task of leading a particular activity or project and reporting the progress at a trustees' meeting.

Risk management

The trustees have assessed the risks the charity faces and have drawn up a risk assessment which identifies the major risks by area of activity, nature of those risks, the likelihood of the risks happening and the measures taken to manage them. The trustees review these risk assessments regularly at their meetings and at meetings of the sub-committees on finance, buildings and day care centre. The trustees are satisfied that systems are in place, or arrangements in hand, to manage the risks that have been identified. In particular, insurance cover is in place and the finances of the organisation are kept under the review.

Appropriate Disclosure and Barring Service (DBS) checks, supported by regularly reviewed policies, are made for all those who work with children or other vulnerable groups within the community centre.

Bank

The charity has banking facilities with the Yorkshire Bank Plc whose address is 7 Linthorpe Road, Middlesbrough, TS1 1RE

Muslim Federation in Cleveland

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Objectives and activities

Aims:

Mosque and Prayer Facility for furtherance of Islam.
Educational Activities and Faith and Community Cohesion for Islam.
Facility for recreation and leisure.

The objectives are set to reflect our faith and community aims. Each year the trustees review the objectives and activities to ensure they continue to reflect the aims. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit. Our dual aims remain to provide a facility where muslims can worship and to provide a community facility for all of the communities in Middlesbrough and the surrounding towns. Our long term ambition is to build the self-confidence of muslims in their faith, and through our community facilities and activities help to make our area a peaceful, vibrant and harmonious community.

Mosque and Prayer Facility for furtherance of Islam
We aim to provide a designated place of worship for muslim residents of Middlesbrough and surrounding towns. These facilities will be for both males and females as well as children, the elderly and the disabled.

Education Activities and Faith and Community Cohesion for Islam
Seminars and courses will be held in the community centre in liaison with the local council and other organisations for Islamic education, community cohesion, fostering relations between different faiths and general safety (e.g fire safety and traffic rules). Regular talks will be held on community and social and cultural issues to enable muslim and non muslim residents to support one another in their common goals of developing the communities. Seminars will be organised to provide resources for schools and the wider community, weekend sessions of tuition and help with school homework as well as advocacy and advice.

Facilities for Recreation and Leisure
Healthy living campaigns have been initiated and posters, leaflets and booklets will be provided coffee morning sessions will be organised. Some indoor sporting facilities are provided, arrangements are made for outdoor sporting trips as well as family day trips.

Achievements and performance

The charity carries out a wide range of activities, both religious and non religious, that deliver public benefit in pursuance of its ongoing charitable aims. The trustees consider that these activities, previously mentioned, provide benefit to the wider community and do have regard to the Charities Commission's guidance on public benefit.

Financial review

The principle source of funding is through donations from the local community. These are used to meet its ongoing costs in furtherance of its objectives. The trustees consider the results of the charity during the year to be satisfactory. The reserves held at 31 December 2020 were £543,410 unrestricted reserves (2019 £413,630) and £118,506 restricted reserves (2019 £204,690). The charity holds sufficient reserves in order to meet its ongoing cost and future plans.

Muslim Federation in Cleveland

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Plans for future periods

The trustees intend to maintain and expand the charity's activities in the future. As detailed last year the charity commenced a change in the building structures. The buildings have now been demolished and plans for a new mosque and culture centre have been approved by the local authority. The charity is ongoing with raising substantial funds to finance this project. This is proving to be more difficult than expected but the first stage of the construction is anticipated to start as soon as possible and efforts to raise funding continue. Meanwhile all activities continue in the new rental premises. The charity is making strong efforts to secure funding for the new project from overseas especially the Gulf States. However due to political tensions this is proving difficult.

The trustees' annual report was approved on 20/12/2021 and signed on behalf of the board of trustees by:

Mr A Luft
Trustee



Charity Secretary

Muslim Federation in Cleveland
Independent Examiner's Report to the Trustees of Muslim Federation in
Cleveland

Year ended 31 December 2020

I report to the trustees on my examination of the financial statements of Muslim Federation in Cleveland ('the charity') for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

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:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.

Mr G.H Singh

Independent Examiner

Chuhan and Singh Partnership Limited
81 Borough Road
Middlesbrough
TS1 3AA

Muslim Federation in Cleveland

Statement of Financial Activities

Year ended 31 December 2020

		2020		2019
		Unrestricted funds	Restricted funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	53,186	31,129	84,315
Other income	5	17,400	-	17,400
Total income		<u>70,586</u>	<u>31,129</u>	<u>101,715</u>
Expenditure				
Expenditure on charitable activities	6,7	67,115	-	67,114
Total expenditure		<u>67,115</u>	<u>-</u>	<u>67,114</u>
Net income and net movement in funds		<u>3,471</u>	<u>31,129</u>	<u>34,601</u>
Reconciliation of funds				
Total funds brought forward		1,361,585	87,377	1,448,962
Total funds carried forward		<u>1,365,056</u>	<u>118,506</u>	<u>1,483,562</u>
				<u>1,317,152</u>
				<u>1,448,962</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 15 form part of these financial statements.

Muslim Federation in Cleveland

Statement of Financial Position

31 December 2020

	Note	£	2020	£	2019
Fixed assets					
Tangible fixed assets	12			649,011	651,545
Investments	13			<u>181,000</u>	<u>181,000</u>
				830,011	832,545
Current assets					
Cash at bank and in hand			655,556		618,320
Creditors: amounts falling due within one year	14	<u>2,004</u>			<u>1,902</u>
Net current assets			<u>653,552</u>		<u>616,418</u>
Total assets less current liabilities			<u>1,483,563</u>		<u>1,448,963</u>
Net assets			<u>1,483,563</u>		<u>1,448,963</u>
Funds of the charity					
Restricted funds				118,506	204,690
Unrestricted funds				<u>1,365,056</u>	<u>1,244,272</u>
Total charity funds	16		<u>1,483,562</u>		<u>1,448,962</u>

These financial statements were approved by the board of trustees and authorised for issue on and are signed on behalf of the board by:

Mr A Luft
Trustee

The notes on pages 8 to 15 form part of these financial statements.

Muslim Federation in Cleveland

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 9 Park Road North, Middlesbrough, TS1 3LF.

2. Statement of compliance

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.

3. Accounting policies

Basis of preparation

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 financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Muslim Federation in Cleveland

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Muslim Federation in Cleveland

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

Investment property

Investment properties have been valued at open market value by Mr Ali Luft (President) who holds no relevant professional qualification. Mr Luft is not employed by the charity. This valuation is based on his knowledge of similar properties in the local area. The trustees are in agreement with the valuation.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Muslim Federation in Cleveland

Notes to the Financial Statements (continued)

Year ended 31 December 2020

3. Accounting policies (continued)

Financial instruments (continued)

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Donations			
General donations	585	31,129	31,714
Congregational donations	29,223	-	29,223
Grants			
Government grant income	15,146	-	15,146
Other donations and legacies			
Other Income	8,232	-	8,232
Gift aid	-	-	-
	<u>53,186</u>	<u>31,129</u>	<u>84,315</u>
	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	2019
Donations			
General donations	6,125	57,211	63,337
Congregational donations	56,094	-	56,094
Grants			
Government grant income	-	-	-

Muslim Federation in Cleveland

Notes to the Financial Statements (continued)

Year ended 31 December 2020

4. Donations and legacies (continued)

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	2019 £
Other donations and legacies			
Other income	3,273	62,034	65,307
Gift aid	923	-	923
	<u>66,415</u>	<u>119,245</u>	<u>185,661</u>

5. Other income

	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	£	2020	£	2019
Rents received	17,400	<u>17,400</u>	17,400	<u>17,400</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	2020 £
Charitable Activities	67,115	-	<u>67,114</u>
	<u>69,318</u>	<u>1,932</u>	<u>71,250</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds	Total fund
	£	2020	2019 £
Charitable Activities	67,114	<u>67,114</u>	<u>71,250</u>

8. Net income

Net income is stated after charging/(crediting):

	2020	2019
Depreciation of tangible fixed assets	<u>£ 2,534</u>	<u>£ 2,981</u>

Muslim Federation in Cleveland

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

9. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	1,395	1,395
Other financial services	735	735
	<u>2,130</u>	<u>2,130</u>

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	32,214	29,807

The average head count of employees during the year was 3 (2019: 3).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

11. Trustee remuneration and expenses

No remuneration or other benefits from the employment with the charity or a related entity were received by the trustees.

No Trustee expenses have been incurred.

12. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2020 and 31 December 2020	634,652	49,416	1,500	<u>685,568</u>
Depreciation				
At 1 January 2020	-	32,657	1,366	<u>34,023</u>
Charge for the year	-	2,514	20	<u>2,534</u>
At 31 December 2020	-	<u>35,171</u>	<u>1,386</u>	<u>36,557</u>
Carrying amount				
At 31 December 2020	634,652	14,245	114	<u>649,011</u>
At 31 December 2019	<u>634,652</u>	<u>16,759</u>	<u>134</u>	<u>651,545</u>

Muslim Federation in Cleveland

Notes to the Financial Statements (continued)

Year ended 31 December 2020

13. Investments

	Investment properties £
Cost or valuation	
At 1 January 2020 and 31 December 2020	<u>181,000</u>
Impairment	
At 1 January 2020 and 31 December 2020	
Carrying amount	
At 31 December 2020	<u>181,000</u>
At 31 December 2019	<u>181,000</u>

All investments shown above are held at valuation.

Investment properties

Investment properties have been valued at open market value by Mr Ali Luft (President) who holds no relevant professional qualification. Mr Luft is not employed by the charity. This valuation is based on his knowledge of similar properties in the local area. The trustees are in agreement with the valuation.

14. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	<u>1,902</u>	<u>1,902</u>
Social security and other taxes	<u>102</u>	<u>-</u>
	<u>2,004</u>	<u>1,902</u>

15. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020 £	2019 £
Recognised in income from donations and legacies:		
Government grants income	<u>15,146</u>	<u>-</u>

Muslim Federation in Cleveland

Notes to the Financial Statements (continued)

Year ended 31 December 2020

16. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020	Income £	Expenditure £	At 31 December 2020
General funds	£ 1,361,585	70,586	(67,115)	£ 1,365,056
	At 1 January 2019	Income £	Expenditure £	At 31 December 2019
General funds	£ 1,229,775	83,815	(69,318)	£ 1,244,272
Restricted funds				
	At 1 January 2020	Income £	Expenditure £	At 31 December 2020
New Building Project	£ 87,377	31,129	-	£ 118,506
	At 1 January 2019	Income £	Expenditure £	At 31 December 2019
New Building Project	£ 87,377	119,245	(1,932)	£ 204,690

The restricted income received during the year is for a new building project.

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	649,011	-	649,011
Investments	181,000	-	181,000
Current assets	543,410	118,506	661,916
Creditors less than 1 year	(2,004)	-	(2,004)
Net assets	1,371,417	118,506	1,489,923
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	651,545	-	651,545
Investments	181,000	-	181,000
Current assets	413,630	204,690	618,320
Creditors less than 1 year	(1,902)	-	(1,902)
Net assets	1,244,273	204,690	1,448,963

Muslim Federation in Cleveland

Management Information

Year ended 31 December 2020

The following pages do not form part of the financial statements.

Muslim Federation in Cleveland

Detailed Statement of Financial Activities

Year ended 31 December 2020

	2020 £	2019 £
Income and endowments		
Donations and legacies		
General donations	31,714	63,337
Congregational donations	29,223	56,094
Government grant income	15,146	-
Other income	8,232	65,307
Gift aid	-	923
	<u>84,315</u>	<u>185,661</u>
Other income		
Rents received	<u>17,400</u>	<u>17,400</u>
Total income	<u>101,715</u>	<u>203,061</u>
Expenditure		
Expenditure on charitable activities		
Wages and salaries	32,214	29,807
Rent	10,000	10,000
Rates and water	958	774
Light and heat	6,575	4,867
Repairs and maintenance	1,537	1,457
Insurance	2,052	2,018
Motor vehicle expenses	1,703	1,960
Other motor/travel costs	-	4,891
Legal and professional fees	228	3,582
Telephone	1,140	1,362
Other office costs	3,022	3,115
Depreciation	2,534	2,981
Ramadan social activities	5,015	3,600
School activities	-	34
Other expenditure	136	323
New project	-	479
	<u>67,114</u>	<u>71,250</u>
Total expenditure	<u>67,114</u>	<u>71,250</u>
Net income	<u>34,601</u>	<u>131,811</u>

Muslim Federation in Cleveland

Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2020

	2020	2019
	£	£
Expenditure on charitable activities		
Charitable Activities		
<i>Activities undertaken directly</i>		
Direct charitable activity - wages and salaries	32,214	29,807
Direct charitable activity - rent	10,000	10,000
Direct charitable activity - rates and water	958	774
Direct charitable activity - light and heat	6,575	4,867
Direct charitable activity - repairs and maintenance	1,537	1,457
Direct charitable activity - insurance	2,052	2,018
Direct charitable activity - motor vehicle expenses	1,703	1,960
Direct charitable activity - other motor and travel costs	-	4,891
Direct charitable activity - legal and professional fees	228	3,582
Direct charitable activity - telephone	1,140	1,362
Direct charitable activity - other office costs	3,022	3,115
Direct charitable activity - depreciation	2,534	2,981
Direct charitable activity - Ramadan social activities	5,015	3,600
Direct charitable activity - school activities	-	34
Direct charitable activity - other expenditure	136	323
Direct charitable activity - new project	-	479
	<u>67,114</u>	<u>71,250</u>
	<u>67,114</u>	<u>71,250</u>
Expenditure on charitable activities	<u>67,114</u>	<u>71,250</u>