

# **MUSLIM FEDERATION CLEVELAND**

Charity Registration 702212

## **Annual Report 2019**

Unit 12 Cannon Park Way, Middlesbrough TS1 5JU Tel: 01642 873305  
Fax: 01642 873307, Email: [info@abubakr.org.uk](mailto:info@abubakr.org.uk), website: [www.abubakr.org.uk](http://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](mailto:info@abubakr.org.uk)

Website: [www.abubakr.org.uk](http://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 31<sup>st</sup> December 2019. This year has been very challenging as we have stepped up efforts to fundraise for the new project.

We are still located at our temporary venue, the current situation is probably going to last another couple of years as we are making amendments to the new project design to start construction as soon as possible.

Fundraising is still going however it is very slow and. We anticipated starting works in the course of 2019, however due to unforeseen problems on site and uncertainties from bidding contractors; it has not been possible to start despite our best efforts. A review of the design is on discussion to amend parts of the original design and instructions have been passed to the architect to start working on this with immediate effect.

The organisation is maintaining vital services such as regular prayers, marriage ceremonies, children activities, and other essential services. Many other activities of social, cultural, and recreational nature took place to benefit all sections of the local community in particular the refugees and disadvantaged individuals.

The Mosque as usual continues 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

## 2019 PROGRAMME OF ACTIVITIES

### Religious Welfare:

All daily prayers ( 5 prayers per day )  
Friday sermon and prayer in Arabic and English  
Taraweeh Prayers in Ramadan 1441 h  
Night prayer in the last 10 days of Ramadan  
Quran daily at fajr  
Sunday lessons at maghrib

Eid ul fitr and Eid ul Adha Prayers  
Open days  
Religious lectures and seminars  
Religious celebrations

### Education & Teaching:

Islamic education & Arabic language  
Saturday 10.00 am - 1.30 pm  
Sunday 10.00 am – 1.30 pm

### Youth Club:

The youth club plays an important role in bringing together teenage boys and girls separately around weekly activities to promote social relations and enable participants to communicate, exchange, and discuss views and matters in a suitable Islamic environment under the supervision of a specialist and professional team.

The youth club sessions are held every Saturday from 5.00 to 7.00 pm. Around 30 participants attend the youth club.

### Ramadan Meals:

As usual the mosque provided fast breaking (iftar) meals throughout the holy month of Ramadan 1441, where 3000 full meals were served. Most of the beneficiaries were from the local refugee communities and homeless and vulnerable people. Iftar 60 meals / suhur 50

### Eids' Celebration:

The Mosque organised two Eid-ul-Fitr and Eid-ul-Adha parties and competitions for children in particular. 150 meals were served and 100 gifts donated to all children to make them feel the importance of Eid in the Muslim personality, and

to make them feel happy. The mosque covered all expenses relating to these celebrations to include gifts, meals.

### **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.

## **MINISTERS OF RELIGION'S REPORT:**

Our established spiritual and religious services are considered amongst the most important activities of the Mosque, as nearly 600 visitors a week attended the Mosque for prayers, education, training, and for a range of other needs. 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

The school has settled well with more students attending. The School syllabus covers Islamic education, Arabic, teaching, diverse recreational activities, computer studies, sport games, and excursions. The School aims at achieving the following objectives:

- Teaching the tenets of Islam
- Memorizing parts of the Holy Quran
- Building a strong generation able to raise to the challenges
- Achieving a good standard of education and discipline
- Developing talents, abilities, and skills
- Protecting youngsters from negative social influence

We hope that this briefing 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 2019. 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 organizations especially during the month of Ramadan.

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 2019**

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### **Income 2019**

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**£ 203,060**

**Refer to 2019 Accounts next page for more details**

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### **Expenditure 2019**

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**£ 71,249**

**Refer to 2019 Accounts next page for details**

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**Surplus of income over  
expenditure = £ 131,811**

**Muslim Federation in Cleveland  
Detailed Statement of Financial Activities  
Year ended 31 December 2019**

<b>Income and endowments</b>	<b>£</b>
<b>Donations and legacies</b>	
Donation from other community	<b>63,337</b>
Donation from local community	<b>56,094</b>
Other income	<b>66,229</b>
<b>Other income</b>	
Rents received	<b>17,400</b>
<b>Total income</b>	<b>203,060</b>

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**Expenditure**

<b>Expenditure on charitable activities</b>	
Wages and salaries	<b>33,238</b>
Rent	<b>10,000</b>
Rates and water	<b>774</b>
Light and heat	<b>4,867</b>
Repairs and maintenance	<b>1,457</b>
Insurance	<b>2,018</b>
Motor vehicle expenses	<b>1,960</b>
Other motor/ travel costs	<b>1,460</b>
Legal and professional fees	<b>3,582</b>
Telephone	<b>1,362</b>
Other office costs	<b>3,115</b>
Depreciation	<b>2,981</b>
Ramadan activities	<b>3,600</b>
School activities –	<b>34</b>
Other expenditure	<b>323</b>
New project	<b>478</b>
<b>Total expenditure</b>	<b>71,249</b>

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<b>Net income</b>	<b>131,811</b>
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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 2019**

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**Statement of Financial Activities  
As of 31 December 2019**

	<b>2019</b>			<b>2018</b>
	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>	Restricted funds
<b>Income and endowments</b>				
Donations and legacies	66,414	119,245	<b>185,660</b>	160,547
Other income	17,400	-	<b>17,400</b>	16,248
Total income	83,814	119,245	<b>203,060</b>	176,795
<b>Expenditure</b>				
Expenditure on charitable activities	70,769	480	<b>71,249</b>	77,874
Total expenditure	70,769	480	<b>71,249</b>	77,874
<b>Net income and net movement in funds</b>	<b>13,045</b>	<b>118,765</b>	<b>131,811</b>	98,921
<b>Reconciliation of funds</b>				
Total funding brought forward	1,229,775	97,377	<b>1,317,152</b>	1,218,231
<b>Total fund carried forward</b>	<b>1,242,820</b>	<b>206,142</b>	<b>1,448,962</b>	1,317,152
The Statement of financial activities includes all gains and losses recognized in the year. All income and expenditure derive from continuing activities.				

## INCOME AND EXPENDITURE as at 31 December 2019

### Muslim Federation in Cleveland Detailed Statement of Financial Activities Year ended 31 December 2019

<b>Income and endowments</b>	<b>£</b>
<b>Donations and legacies</b>	
Donation from other community	63,337
Donation from local community	56,094
Other income	66,229
<b>Other income</b>	
Rents received	17,400
<b>Total income</b>	<b>203,060</b>
<b>Expenditure</b>	
<b>Expenditure on charitable activities</b>	
Wages and salaries	33,238
Rent	10,000
Rates and water	774
Light and heat	4,867
Repairs and maintenance	1,457
Insurance	2,018
Motor vehicle expenses	1,960
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Telephone	1,362
Other office costs	3,115
Depreciation	2,981
Ramadan activities	3,600
School activities –	34
Other expenditure	323
New project	478
<b>Total expenditure</b>	<b>71,249</b>
<b>Net income</b>	<b>131,811</b>

**Muslim Federation in Cleveland**  
**Assets and Liabilities**  
**Year ended 31 December 2019**

	<b>2019</b>		<b>2018</b>
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>		<b>651,545</b>	654,526
<b>Investments</b>		<b>181,000</b>	181,000
		<b>832,545</b>	835,526
<b>Current Assets</b>			
Cash at bank and in hand	<b>618,320</b>		483,528
<b>Creditors: amounts falling due within one year</b>	<b>1,902</b>		1,902
<b>Net Current Assets</b>		<b>616,418</b>	481,626
<b>Total assets less current liabilities</b>		<b>1,448,963</b>	1,317,152
<b>Net assets</b>		<b>1,448,963</b>	1,317,152
<b>Funds of the Charity</b>			
Restricted funds		<b>206,142</b>	87,377
Unrestricted funds		<b>1,242,820</b>	1,229,152
<b>Total Charity Funds</b>		<b>1,448,962</b>	1,317,152

These statements were approved by the Board of Trustees and authorized for issue on 28 October 2020.

**Muslim Federation in Cleveland**  
**Unaudited Financial Statements**  
**31 December 2019**

**DRAFT ACCOUNTS**



# **Muslim Federation in Cleveland**

## **Financial Statements**

**Year ended 31 December 2019**

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# **Muslim Federation in Cleveland**

## **Partners' Annual Report**

### **Year ended 31 December 2019**

The partners present their report and the unaudited financial statements of the charity for the year ended 31 December 2019.

#### **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 partners**

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

**Independent examiner** Mr G.H Singh

# **Muslim Federation in Cleveland**

## **Partners' Annual Report** *(continued)*

**Year ended 31 December 2019**

### **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 Criminal Records Bureau (CRB) 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

## Partners' Annual Report *(continued)*

**Year ended 31 December 2019**

### **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 the Middlesbrough and 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 will be initiated and posters, leaflets and booklets will be provided coffee morning sessions will be organised. Some indoor sporting facilities will be provided, arrangements will be 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 2019 were £410,275 unrestricted reserves (2018 £394,249) and £206,142 restricted reserves (2018 £87,377). The charity holds sufficient reserves in order to meet its ongoing cost and future plans.

# **Muslim Federation in Cleveland**

## **Partners' Annual Report** *(continued)*

**Year ended 31 December 2019**

### **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 partners' annual report was approved on ..... and signed on behalf of the board of trustees by:

Mr A Luft  
Partner

Charity Secretary

# **Muslim Federation in Cleveland**

## **Independent Examiner's Report to the Partners of Muslim Federation in Cleveland**

**Year ended 31 December 2019**

I report to the partners on my examination of the financial statements of Muslim Federation in Cleveland ('the charity') for the year ended 31 December 2019.

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

As the partners 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 2019

		Unrestricted funds	2019 Restricted funds	Total funds	2018 Total funds
	Note	£	£	£	£
<b>Income and endowments</b>					
Donations and legacies	4	66,414	119,245	<b>185,660</b>	160,547
Other income	5	17,400	—	<b>17,400</b>	16,248
<b>Total income</b>		<u>83,814</u>	<u>119,245</u>	<b><u>203,060</u></b>	<u>176,795</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6,7	70,769	480	<b>71,249</b>	77,874
<b>Total expenditure</b>		<u>70,769</u>	<u>480</u>	<b><u>71,249</u></b>	<u>77,874</u>
<b>Net income and net movement in funds</b>		<u>13,045</u>	<u>118,765</u>	<b><u>131,811</u></b>	<u>98,921</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,229,775	87,377	<b>1,317,152</b>	1,218,231
<b>Total funds carried forward</b>		<u>1,242,820</u>	<u>206,142</u>	<b><u>1,448,962</u></b>	<u>1,317,152</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 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	12	651,545	654,526
Investments	13	181,000	181,000
		<b>832,545</b>	835,526
<b>Current assets</b>			
Cash at bank and in hand		618,320	483,528
<b>Creditors: amounts falling due within one year</b>	14	<b>1,902</b>	1,902
<b>Net current assets</b>		<b>616,418</b>	481,626
<b>Total assets less current liabilities</b>		<b>1,448,963</b>	1,317,152
<b>Net assets</b>		<b>1,448,963</b>	1,317,152
<b>Funds of the charity</b>			
Restricted funds		206,142	87,377
Unrestricted funds		1,242,820	1,229,775
<b>Total charity funds</b>	15	<b>1,448,962</b>	1,317,152

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  
Partner

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 2019**

### **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 partners 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 2019

### 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 2019

### 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

#### Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

#### 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.

#### Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

#### Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

# Muslim Federation in Cleveland

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### Investments in joint ventures *(continued)*

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

#### 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.

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.

# Muslim Federation in Cleveland

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### Financial instruments *(continued)*

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 2019 £
<b>Donations</b>			
Donation from other community	6,125	57,211	<b>63,337</b>
Donations from local community	56,094	–	<b>56,094</b>
<b>Other donations and legacies</b>			
Other income	4,195	62,034	<b>66,229</b>
	<u>66,414</u>	<u>119,245</u>	<u><b>185,660</b></u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
<b>Donations</b>			
Donation from other community	1,417	86,477	87,894
Donations from local community	60,988	–	60,988
<b>Other donations and legacies</b>			
Other income	9,665	2,000	11,665
	<u>72,070</u>	<u>88,477</u>	<u>160,547</u>

### 5. Other income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Rents received	<u>17,400</u>	<u><b>17,400</b></u>	<u>16,248</u>	<u>16,248</u>

# Muslim Federation in Cleveland

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Charitable Activities	<u>70,769</u>	<u>480</u>	<u>71,249</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Charitable Activities	<u>76,774</u>	<u>1,100</u>	<u>77,874</u>

### 7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2019 £	Total fund 2018 £
Charitable Activities	<u>71,249</u>	<u>71,249</u>	<u>77,874</u>

### 8. Net income

Net income is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	<u>2,981</u>	<u>3,507</u>

### 9. Independent examination fees

	2019 £	2018 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,000</u>	<u>1,000</u>

### 10. Staff costs

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

	2019 £	2018 £
Wages and salaries	<u>33,238</u>	<u>41,148</u>

The average head count of employees during the year was 3 (2018: 3).

No employee received employee benefits of more than £60,000 during the year (2018: 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.

# Muslim Federation in Cleveland

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 12. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2019 and 31 December 2019	<u>634,652</u>	<u>49,416</u>	<u>1,500</u>	<u>685,568</u>
<b>Depreciation</b>				
At 1 January 2019	–	29,700	1,342	<b>31,042</b>
Charge for the year	–	<u>2,957</u>	<u>24</u>	<u><b>2,981</b></u>
<b>At 31 December 2019</b>	<u>–</u>	<u>32,657</u>	<u>1,366</u>	<u><b>34,023</b></u>
<b>Carrying amount</b>				
At 31 December 2019	<u>634,652</u>	<u>16,759</u>	<u>134</u>	<u><b>651,545</b></u>
At 31 December 2018	<u>634,652</u>	<u>19,716</u>	<u>158</u>	<u>654,526</u>

### 13. Investments

	Investment properties £
<b>Cost or valuation</b>	
At 1 January 2019 and 31 December 2019	<u><b>181,000</b></u>
<b>Impairment</b>	
At 1 January 2019 and 31 December 2019	
<b>Carrying amount</b>	
At 31 December 2019	<u><b>181,000</b></u>
At 31 December 2018	<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

	2019 £	2018 £
Accruals and deferred income	<u><b>1,902</b></u>	<u>1,902</u>

# Muslim Federation in Cleveland

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2019

#### 15. Analysis of charitable funds

##### Unrestricted funds

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
General funds	<u>1,229,775</u>	<u>83,814</u>	<u>(70,769)</u>	<u>1,242,820</u>

##### Restricted funds

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
New Building Project	<u>87,377</u>	<u>119,245</u>	<u>(480)</u>	<u>206,142</u>

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

#### 16. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Tangible fixed assets	651,545	–	<b>651,545</b>	654,526
Investments	181,000	–	<b>181,000</b>	181,000
Current assets	412,178	206,142	<b>618,320</b>	483,528
Creditors less than 1 year	(1,902)	–	<b>(1,902)</b>	(1,902)
<b>Net assets</b>	<u>1,242,821</u>	<u>206,142</u>	<u><b>1,448,963</b></u>	<u>1,317,152</u>



# **Muslim Federation in Cleveland**

## **Management Information**

**Year ended 31 December 2019**

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

**Muslim Federation in Cleveland**  
**Detailed Statement of Financial Activities**  
**Year ended 31 December 2019**

	2019 £	2018 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Donation from other community	63,337	87,894
Donations from local community	56,094	60,988
Other income	66,229	11,665
	<u>185,660</u>	<u>160,547</u>
<b>Other income</b>		
Rents received	17,400	16,248
	<u>203,060</u>	<u>176,795</u>
<b>Total income</b>		
<b>Expenditure</b>		
<b>Expenditure on charitable activities</b>		
Wages and salaries	33,238	41,148
Rent	10,000	10,000
Rates and water	774	1,229
Light and heat	4,867	5,120
Repairs and maintenance	1,457	1,796
Insurance	2,018	1,036
Motor vehicle expenses	1,960	2,567
Other motor/travel costs	1,460	—
Legal and professional fees	3,582	2,286
Telephone	1,362	705
Other office costs	3,115	3,285
Depreciation	2,981	3,507
Ramadan social activities	3,600	—
School activities	34	—
Other expenditure	323	4,093
New project	478	1,102
	<u>71,249</u>	<u>77,874</u>
<b>Total expenditure</b>	<u>71,249</u>	<u>77,874</u>
<b>Net income</b>	<u>131,811</u>	<u>98,921</u>

# Muslim Federation in Cleveland

## Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2019

	2019 £	2018 £
<b>Expenditure on charitable activities</b>		
<b>Charitable Activities</b>		
<b><i>Activities undertaken directly</i></b>		
Direct charitable activity 1 - wages/salaries	33,238	41,148
Direct charitable activity 1 - rent	10,000	10,000
Direct charitable activity 1 - rates & water	774	1,229
Direct charitable activity 1 - light & heat	4,867	5,120
Direct charitable activity 1 - repairs & maintenance	1,457	1,796
Direct charitable activity 1 - insurance	2,018	1,036
Direct charitable activity 1 - motor vehicle expenses	1,960	2,567
Direct charitable activity 1 - other motor/travel costs	1,460	—
Direct charitable activity 1 - legal and professional fees	3,582	2,286
Direct charitable activity 1 - telephone	1,362	705
Direct charitable activity 1 - other office costs	3,115	3,285
Direct charitable activity 1 - depreciation	2,981	3,507
Direct charitable activity 1 - Ramadan social activities	3,600	—
Direct charitable activity 1 - school activities	34	—
Direct charitable activity 1 - other expenditure	323	4,093
Direct charitable activity 1 - new project	478	1,102
	<u>71,249</u>	<u>77,874</u>
<b>Expenditure on charitable activities</b>	<u>71,249</u>	<u>77,874</u>