

Muhammadiyah House of Wisdom

Muhammadiyah House of Wisdom

Registered Charity

Financial statements for the year ended 31 December 2019

Charity
number

1145770

Muhammadiyah House of Wisdom

Charity Number:	1145770
Principal Address:	33 RIDLING LANE HYDE CHESHIRE SK14 1NP
Directors and Trustees:	MR ALI Muhammed ANEES MR Shirajul Islam MR MOHAMMED NAWAZ MR Muhammed Gulam Kibria Choudhury Mr Gulfam Hussain
Governing Document:	Trust Deed
Bankers:	HSBC Plc Market Place Hyde Cheshire SK14 2QW
Accountant and Independent Examiners:	ATS Accountants 8 Rochdale Road Royton Oldham OL2 6QJ

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ANNUAL REPORT 2019



Introduction

The Trustees of Muhammadiyah House of Wisdom (Trust) are pleased to present their annual report and independently examined financial statements for the year ended 31 December 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2005) and Accounting Standards Charities Act 2011.

It's been another busy year for the Trust and it has responded to needs in a focussed and strategic way, with compassion at the heart of everything that is done.

On behalf of Muhammadiyah House of wisdom we would like to thank all those (across the globe), who have given their time as volunteers and who made donations to various programmes and activities. Without your support, donations and fundraising we would not be able to undertake this important work. You have made it possible for us to reach out and spread the message and help the most neediest and vulnerable in our local and global communities.

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This report sets out examples of work undertaken and their impact. The journey to support and improve the lives of people, both spiritually and physically, continues and the examples show how we are progressing.

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Chairman's Foreword

The last 12 months have been challenging and importantly rewarding. We have undertaken the development and delivery of significant programmes, locally, regionally and internationally. These programmes have been about engaging, transforming and importantly improving the lives of those who we have come into contact with.

The work in regards to youth engagement has been raising both the spiritual and physical well-being of young people. The outreach activities have been highly well received by those who participated and it has been a pleasure to see the positive impact the work has had on the young people. The spiritual retreats organised have been a mixture of fun and self-reflection and building cohesive young people.

The Islamic classes have gone from strength to strength and, they are more than just about developing Islamic knowledge, they are about developing well rounded and compassionate human beings, who are true to the Islamic message, both in understanding and practice.

2020 will be a difficult year due to covid-19 and it's important that our activities in regards to the most vulnerable be paced up and delivered through appropriate channels.

Finally, a big thank you to all the volunteers at Muhammadiyah House of Wisdom. Their dedication and commitment are an example of selfless action that is at the core of our faith.

Activities

1. Quran Conference 2019

A Quran conference was held in 2019 in Bolton with speakers from across the globe that explored quranic narrative of ideal human being and understanding the life changing teachings, themes and the surah structure of the quran.

The scholars came from Lebanon, Morocco, Turkey and the UK. This was a historic moment as it allowed gathering of such great teachers and provided an opportunity for an audience to listen to pearls of wisdom.

The conference also provided an opportunity to award certificates in Islamic education to sisters – who had excelled in Islamic studies. This was a profound moment in the lives of these students.

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2. Health & Wellbeing

A number of specific community events have been delivered across the northwest and nationally that entailed self-development and improving physical and mental wellbeing:

- Spiritual healing and emotional well-being.
- Sports activities (across all ages and genders)

3. Youth engagement

We provided career advice, job help and support to those coping with mental health. We further provided mentors and life coaching support in areas covering:

- Marriage and pre-marriage familial coaching.
- Parenthood.
- Rewiring from addictions. (Including illegal activities) as part of the Self-Purification courses we offer FREE of charge.
- Skills in embracing emotional intelligence with confidence
- Encouraging financial independence through lawful livelihoods.
- Social wellbeing through cohesive interactions virtually or physically.

4. Islamic Classes

Children classes

We aim to teach the future generation youth on becoming the best they can with best Islamic course taught by our highly qualified teachers in our various centres in Hyde, Bolton and Oldham.

Adult Classes

In our various centres adults are given the opportunity to learn the basics of Islam through our qualified teachers. This is about developing communities that are true to the message but further compassionate and cohesive communities

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5. International visits

We undertook international Dawah trips to Canada, France and Italy. This provide an opportunity to spread the message of Islam and teach the course of purification and engage with a diverse audience.

6. International Work

The building construction work of the Pakistan International Zawiyah is nearing completion. This is a great testament to the hard work of the communities involved and volunteers who have fundraised. They showed great eagerness to support their homelands in an efficient and effective manner.

During our trips to Pakistan and other parts of the world we saw the extent to which people were starving of guidance to help them on the true path of purification.

The above is an example of the work that has been undertaken during 2019 and showcases the scale of impact the organisation continues to have nationally but also internationally. During 2020 we will build on the success of this year, although it will be challenging with the rise of the global pandemic and the impact of this on people, economies and the environment.

On behalf of all Trustees

Mr Ali Anees
Chair

Ali Muhammed Anees

28 October 2020

signed on 29/10/2020, 16:03:48 GMT

Muhammadiyah House of Wisdom

Independent examiner's report to the trustees of Muhammadiyah House of Wisdom

I report on the Financial Statements of the Charity for the year ended 31 December 2019 which are set out on pages 11 to 21.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the 2011 Act) or under Regulation 10 (1) (a) to (c) of The Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations) and that an independent examination is needed. The charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a qualified member of the Chartered Institute of Public Finance and Accountancy.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act);
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) Which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act; and

- to prepare accounts which accord with the accounting records, comply with the accounting requirements of the section 44(1)(b) of the 2005 Act; and

- which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Tanvir Alam BSc (Hons) CPFA
On behalf of ATS Accountants
28 October 2020

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Financial statements for the year ended 31 December 2019

Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Prior year funds £ 2018 (restated)
Incoming resources (Note 3)	2019	2019	2019	2019	
Income and endowments from:					
Donations and legacies	141,767	-	-	141,767	94,422
Total	141,767	-	-	141,767	94,422
Resources expended (Note 4)					
Expenditure on:					
Charitable activities	182,370	-	-	182,370	121,883
Governance costs	1,000	-	-	1,000	1,000
Administrative expenses	575	-	-	575	177
Total	183,945	-	-	183,945	183,945
Net income/(expenditure) before investment gains/(losses)	(42,178)	-	-	(42,178)	(28,638)
Net gains/(losses) on investments	-	-	-	-	-
Net income/(expenditure) Other recognised gains/(losses):	(42,178)	-	-	(42,178)	(28,638)
Gains and losses on revaluation of fixed assets for the charity's own use	-	-	-	-	-
Other gains/(losses)	-	-	-	-	-
Net movement in funds	(42,178)	-	-	(42,178)	(28,638)
Reconciliation of funds:					
Total funds brought forward	156,164	-	-	156,164	184,802
Total funds carried forward	113,986	-	-	113,986	155,563

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Statement of Financial Position

		Unrestricted funds £	Restricted funds £	Endowment funds £	Total this year £	Total last year £
	Notes	2019	2019	2019	2019	2018
Fixed assets						
Tangible assets	8	-	-	-	-	-
Total fixed assets		-	-	-	-	-
Current assets						
Cash at bank and in hand	10	115,986	-	-	115,986	157,963
Total current assets		115,986	-	-	115,986	157,963
Creditors: amounts falling due within one year	9	2,000	-	-	2,000	1,800
Net current assets/(liabilities)		113,986	-	-	113,986	156,163
Total assets less current liabilities		113,986	-	-	113,986	156,163
Total net assets or liabilities		113,986	-	-	113,986	156,163
Funds of the Charity						
Unrestricted funds		156,164	-	-	156,164	184,802
Total funds		113,986	-	-	113,986	156,164

Signed by one or two trustees on behalf of all the trustees

Signature	Print Name	Date of approval (DD/MM/YYYY)
<i>Gulfam Hussain</i> signed on 29/10/2020, 15:32:56 GMT	Mr Gulfam Hussain	28/10/2020
<i>A M Anees</i> signed on 29/10/2020, 15:07:09 GMT	Mr Ali Muhammed Anees	28/10/2020

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Financial statements for the year ended 31 December 2019

Notes to the Accounts

Note 1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts 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;
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102); and
- with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Note 2 Accounting policies

2.1 INCOME

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- ☐ the charity becomes entitled to the resources;
- ☐ it is more likely than not that the trustees will receive the resources; and
- ☐ the monetary value can be measured with sufficient reliability.

Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP).

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Donated goods

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Donated goods for resale are measured at fair value on initial recognition,

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which is the expected proceeds from sale less the expected costs of sale, and recognised in 'Income from other trading activities' with the corresponding stock recognised in the balance sheet. On its sale the value of stock is charged against 'Income from other trading activities' and the proceeds from sale are also recognised as 'Income from other trading activities'.

Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Donated services and facilities

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Support costs

The charity has incurred expenditure on support costs.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

2.2 EXPENDITURE AND LIABILITIES

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Deferred income

No material item of deferred income has been included in the accounts.

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Creditors	The charity has creditors which are measured at settlement amounts less any trade discounts
Basic financial instruments	The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS102 SORP.

2.3 ASSETS

Tangible fixed assets for use by charity	These are capitalised if they can be used for more than one year, and cost at least They are valued at cost
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Debtors	The depreciation rates and methods used are disclosed in note 9.2. Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.
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Note 3 Analysis of income

		Unrestricted funds	Restricted funds	Endowment funds	Total funds	Prior year
		2019	2019	2019	2019	2018
		£	£	£	£	£
Donations and legacies:	Analysis					
	Donations and gifts	141,767	-	-	141,767	94,422
	Total	141,767	-	-	141,767	94,422

Note 4 Analysis of expenditure

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		Unrestricted funds	Restricted funds	Endowment funds	Total funds	Prior year
		2019 £	2019 £	2019 £	2019 £	2018 (restated) £
Expenditure on charitable activities	Analysis					
	Charitable activities	182,370	-	-	182,370	121,883
	Governance costs	1,000	-	-	1,000	1,000
	Administrative expenses	575	-	-	575	177
		-	-	-	-	-
Total expenditure on charitable activities		183,945	-	-	183,945	123,060
TOTAL EXPENDITURE		183,945	-	-	183,945	123,060

Note 5 Support costs

Support cost	Raising funds £	Expenditure incurred in running the charity £	Activity 2 £	Activity 3 £	Grand total £	Basis of allocation
						(Describe method)
Governance costs	-	1,000	-	-	1,000	Direct
Administrative expenses	-	575	-	-	575	Direct
Total	-	9,459	-	-	9,459	

Note 6 Details of certain items of expenditure

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Fees for examination of the accounts

	This year £	Last year £
Independent examiner's fees	200	200
Assurance services other than audit or independent examination	-	-
Other fees (for example: financial advice, consultancy, accountancy services) paid to the independent examiner	800	800

Note 7 Paid employees

7.1 Staff Costs

	This year £	Last year £
Salaries and wages	-	-
Social security costs	-	-
Pension costs (defined contribution scheme)		
Other employee benefits	-	-
Total staff costs	-	-

	This year £	Last year £
Salaries and wages	-	-
Social security costs	-	-
Pension costs (defined contribution scheme)		
Other employee benefits	-	-
Total staff costs	-	-

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

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7.2 Average head count in the year

The parts of the charity in which the employees work

	This year Number	Last year Number
Fundraising	-	-
Charitable Activities	-	-
Governance	-	-
Other	-	-
Total	-	-

Note 8 Tangible fixed assets

8.1 Cost or valuation

	Freehold land & buildings	Other land & buildings	Plant, machinery and motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£	£
At the beginning of the year	-	-	-	-	-
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers *	-	-	-	-	-
At end of the year	-	-	-	-	-

8.2 Depreciation and impairments

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**Basis	N/A	N/A	N/A	Straight Line	N/A
** Rate					

At beginning of the year	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
Transfers	-	-	-	-	-
At end of the year	-	-	-	-	-

8.3 Net book value

Net book value at the beginning of the year	-	-	-	-	-
Net book value at the end of the year	-	-	-	-	-

8.4 Impairment

No impairments in the year (2015: £nil)

Note 9 Creditors and accruals

9.1 Analysis of creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	This year £	Last year £	This year £	Last year £
Trade creditors	2,000	1,800	-	-
Total	2,000	1,800	-	-

Note 10 Cash at bank and in hand

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	This year £	Last year £
Short term cash investments (less than 3 months maturity date)	-	-
Short term deposits	-	-
Cash at bank and on hand	115,986	157,963
Other	-	-
Total	115,986	157,963

Note 11 Transactions with trustees and related parties

11.1 Trustee remuneration and benefits

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

11.2 Trustees' expenses

The charity paid trustees no expenses for fulfilling their duties.

Note 12 Restatement of prior year's statements

The Charity restated its Statement of Financial Activities for the year ended 31 December 2018 to classify light and heat costs, telephone costs, and equipment costs to expenditure related to Charitable Activities. This is because these expenditure lines relate to expenditures that incurred to deliver the aims and objectives of the Charity and are directly attributable to delivering Charitable Activities.