

Muhammadiyah House of Wisdom

Muhammadiyah House of Wisdom

Registered Charity

Financial statements for the year ended 31 December 2020

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

Muhammadiyah House of Wisdom

CONTENTS

	Page
Trustees' Report	4 – 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Accounts	11 - 18

MUHAMMADIYAH HOUSE OF WISDOM

Report of the Directors and Trustees for the year end 31 December 2020

ANNUAL REPORT 2020



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 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2005) and Accounting Standards Charities Act 2011.

It has been another busy year for the Trust and it has responded to needs in a focused 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 and fundraising, we would not be able to undertake this important work. You have made it possible for us to reach our and spread the message and help the neediest and most vulnerable in our local and global communities.

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.

MUHMAMMADIYAH HOUSE OF WISDOM

Chairman's Foreword

The last 12 months have been challenging in light with the situation with Covid 19. We have undertaken the development and delivery of programs, locally, regionally and internationally. These programmes have been about engaging, transforming and importantly improving 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 young people. The spiritual retreats organised have been a mixture of enjoyment, self-reflection and building cohesive young people.

The classes for young people have gone from strength to strength and they are more than just about providing Islamic knowledge, they are about developing well rounded, compassionate human beings, who are true to the teachings of Islam both in understanding and practice.

2021 will bring new challenges, we feel we are well placed to face these challenges and continue to work towards our charitable objectives.

Activities

Weekly Advice Sessions

Despite covid 19 we have continued with our regular weekly gatherings in line with government restrictions. We have focused this year on delivery of online content. Thursday talks have continued and our online presence has grown. We will continue to focus on this in the coming year.

We have a number of different qualified speakers who provide advice to assistance to attendees and listeners, who benefit from advice and counselling given.



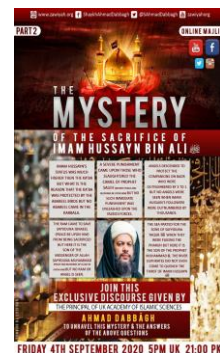
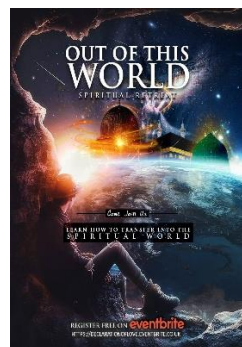
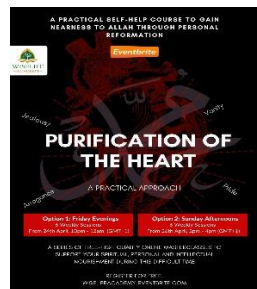
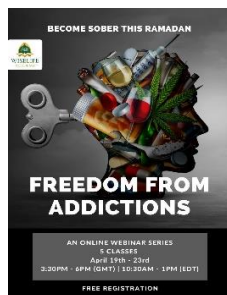
MUHMAMMADIYAH HOUSE OF WISDOM

Youth Engagement

We engage with the youth to provide from mental health support to career advice and have regular online engagement with young people.

These sessions include but are not limited to life coaching which cover the following areas:

- Marriage and pre-marriage coaching
- Rewiring from addictions
- Free programme of purification
- Social wellbeing through cohesive interactions
- Retreats focusing on character reformation

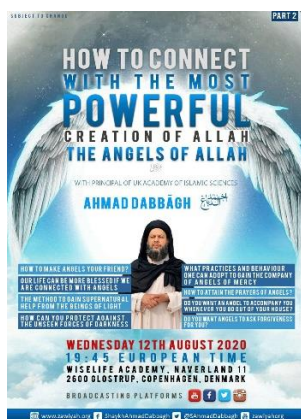


Children Classes

We have continued with the support and assistance we provide to other organisations. This has been through our large network of teachers which we intend to grow in the coming years. This has been particularly challenging however we have maintained classes at various centres particularly in Hyde, Bolton and Oldham.

International & national events

Previously these have been very beneficial, unfortunately this year all travel has been limited. We were however able to hold a number of events in Denmark before the Covid restrictions.



International work

The construction of the international zawiya has been completed. This is a great testament to the hard work of the people involved and volunteers who raised the funds. The building is now being utilised to spread our charitable objectives.

The above is an example of the work that has been undertaken during 2020 and showcases the scale of impact the organization continues to have nationally but also internationally. During 2021 we will build on what we learnt from 2020 and ensure we can provide an efficient charitable service to our beneficiaries.

On behalf of all Trustees

Mr Ali Anees
Chair

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 2020 which are set out on pages 9 to 18.

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

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Prior year funds £
	2020	2020	2020	2020	2019
Incoming resources (Note 3)					
Income and endowments from:					
Donations and legacies	65,152	-	-	65,152	141,767
Total	65,152	-	-	65,152	141,767
Resources expended (Note 4)					
Expenditure on:					
Charitable activities	36,943	-	-	36,943	182,370
Governance costs	1,285	-	-	1,285	1,000
Administrative expenses	41	-	-	41	575
Total	38,269	-	-	38,269	183,945
Net income/(expenditure) before investment gains/(losses)	26,883	-	-	26,883	(42,178)
Net gains/(losses) on investments	-	-	-	-	-
Net income/(expenditure) Other recognised gains/(losses):	26,883	-	-	26,883	(42,178)
Gains and losses on revaluation of fixed assets for the charity's own use	-	-	-	-	-
Other gains/(losses)	-	-	-	-	-
Net movement in funds	26,883	-	-	26,883	(42,178)
Reconciliation of funds:					
Total funds brought forward	113,986	-	-	113,986	156,164
Total funds carried forward	140,869	-	-	140,869	113,986

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

Statement of Financial Position

		Unrestricted funds £	Restricted funds £	Endowment funds £	Total this year £	Total last year £
	Notes	2020	2020	2020	2020	2019
Fixed assets						
Tangible assets	8	-	-	-	-	-
Total fixed assets		-	-	-	-	-
Current assets						
Cash at bank and in hand	10	141,869	-	-	141,869	115,986
Total current assets		141,869	-	-	141,869	115,986
Creditors: amounts falling due within one year	9	1,000	-	-	1,000	2,000
Net current assets/(liabilities)		140,869	-	-		113,986
Total assets less current liabilities		140,869	-	-		113,986
Total net assets or liabilities		140,869	-	-		113,986
Funds of the Charity						
Unrestricted funds		113,986		-	113,986	156,164
Total funds		140,869	-	-	140,869	113,986

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> <u>signed on 01/07/2021, 15:48:51 BST</u>	Mr Gulfam Hussain	01/07/2021
<i>Ali Muhammed Anees</i> <u>signed on 01/07/2021, 14:20:17 BST</u>	Mr Ali Muhammed Anees	01/07/2021

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

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.

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

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

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

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

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.

Note 3

Analysis of income

		Unrestricted funds 2020	Restricted funds 2020	Endowment funds 2020	Total funds 2020	Prior year 2019
		£	£	£	£	£
Donations and legacies:	Analysis					
	Donations and gifts	65,152	-	-	65,152	141,767
	Total	65,152	-	-	65,152	141,767

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

Note 4 Analysis of expenditure

		Unrestricted funds	Restricted funds	Endowment funds	Total funds	Prior year
		2020	2020	2020	2020	2019 (restated)
	Analysis	£	£	£	£	£
Expenditure on charitable activities	Charitable activities	36,943	-	-	36,943	182,370
	Governance costs	1,285	-	-	1,285	1,000
	Administrative expenses	41	-	-	41	575
		-	-	-	-	-
	Total expenditure on charitable activities	38,269	-	-	38,269	183,945
TOTAL EXPENDITURE		38,269	-	-	38,269	183,945

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	-	1,285	-	-	1,285	Direct
Administrative expenses	-	41	-	-	41	Direct
Total	-	1,326	-	-	1,326	

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

Note 6 Details of certain items of expenditure

Fees for examination of the accounts

Independent examiner's fees

Assurance services other than audit or independent examination

Other fees (for example: financial advice, consultancy, accountancy services) paid to the independent examiner

This year £	Last year £
200	200
-	-
1,085	800

Note 7 Paid employees

7.1 Staff Costs

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

This year £	Last year £
-	-
-	-
-	-
-	-
-	-

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

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

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	-	-	-	-	-

Financial statements for the year ended 31 December 2020

8.2 Depreciation and impairments

**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	1,000	2,000	-	-
Total	1,000	2,000	-	-

Muhammadiyah House of Wisdom

Financial statements for the year ended 31 December 2020

Note 10 Cash at bank and in hand

	This year £	Last year £
Short term cash investments (less than 3 months maturity date)	-	-
Short term deposits	-	-
Cash at bank and on hand	141,869	115,986
Other	-	-
Total	141,869	115,986

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 2019 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.