

Commentary on the model Trustees' Annual Report and accounts: Birchfield Mosque and Community Centre

This example is for a Mosque and community centre set up as a charitable trust. The charity has income of £844,857, and so is above the audit threshold. The trustees also oversee a restricted fund established to collect Zakat (a form of specific charitable giving regulated in accordance with the tenets of the Qur'an).

The Trustees' Annual Report

The report follows the order set out in the SORP (though trustees can adapt the ordering to their own needs if they so wish) and sets out how the trustees have met their obligations for reporting the Trust's activities for the public benefit.

Reporting Public Benefit

The example also addresses the public benefit reporting requirements by:

Including within the section 'Our aims' confirmation that the trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary guidance on the advancement of religion for the public benefit.

Providing detailed information in the 'activities and achievements' section of the report about the activities of the mosque and the community centre and how these activities further the charity's purposes for the public benefit. In particular, the annual report also addresses the two key principles by which we will assess public benefit:

- 1) There must be an identifiable benefit or benefits – the trustees explained the value to those who worship at the mosque and to the wider community of Birchfield of the charity's work
- 2) Benefit must be to the public, or a section of the public – the trustees explain how the Mosque is made available to Muslims and the faith of Islam is communicated to non-Muslims through its work and that any member of the wider community of Birchfield can benefit from the charity's community centre activities.

The 'objectives and achievements' section includes a description of the strategies followed to further the Trust's work and the grant making policy for the distribution of Zakat.

The 'financial review' section includes a statement of the reserves policy and explains that the total for reserves excludes both the Mosque and other tangible fixed assets and the designated fund set up to provide for an expansion of prayer facilities for women.

The report concludes with 'plans for future periods' which identifies future collaborations, and a statement of trustees' responsibilities which is normally required by auditors in accordance with Auditing Practice Board standards, although this statement is not required by SORP.

The Accounts

The accounts are fully SORP compliant and include a Statement of Financial Activities, a Balance Sheet and notes to the accounts. The Statement of Financial Activities distinguishes between the unrestricted and restricted funds and note 15 to the accounts reports the individual material funds held. Trustee expenses are disclosed in note 2 and the charitable activities undertaken are analysed in note 6 and support costs in note 7. The charity is not large enough to require a Cash Flow Statement.

Acknowledgement

In developing this example, views were invited from representatives of the following bodies for feedback before it was published:

Al-Khoei Foundation
British Muslim Forum
Muslim Council
Muslim Association of Britain



Birchfield Mosque and Community Centre

Financial Statements for the year ended 31 March 2009

Birchfield Mosque and Community Centre

Report of the Trustees for the year ended 31 March 2009

The trustees present their annual report and audited financial statements for the year ended 31 March 2009 and confirm they comply with the Charities Act 1993, as amended by the Charities Act 2006, the trust deed and the Charities SORP 2005.

Reference and Administrative Information

Charity Name	Birchfield Mosque and Community Centre
Charity Registration Number	0012345
Principal Office	1 High Street Birchfield BF1 1AA

Board of Trustees

Mohammed Sarwar
Abdul Vorajee
Yakub Sheikh
Ismail Musa
Yusuf Patel

Imams

Abdul Jalil – Imam
Abdul Karim – Trainee Imam
Anwar Abdul – Volunteer Imam

Principal Administrator

Yunus Malik

Zakat Committee

Mohammed Sarwar
Yunus Malik
Abdul Jalil – Imam
Abdul Karim – Trainee Imam
Anwar Abdul – Volunteer Imam
Basheera Mahmood

Auditors

A Charity Auditor LLP
6 Park Mount
Birchfield
BF4 3LP

Bankers

ABC Bank plc
1 Bank Row
Birchfield
BF4 2JK

Birchfield Mosque and Community Centre

Report of the Trustees for the year ended 31 March 2009

Structure, governance and management

Governing document

Birchfield Mosque and Community Centre is constituted as a charitable trust registered with the Charity Commission in May 1997 under charity number 0012345. It is governed by a deed of trust last updated in July 2000.

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 Mosque and the community facilities and the activities provided by the charity. To assist in the smooth running of the charity the trustees have set up a number of sub-committees that help them oversee certain aspects of the charity's work. Sub-committees are currently set up for finance and for the day-to-day management of the building and report back with their recommendations to the full meeting of the trustees. The sub-committees each meet six times a year, on alternate months to each other. The chair of trustees chairs both sub-committees whose membership reflects the particular skills that trustees can bring to the work of the sub-committees. The day-to-day management of the Mosque and community facilities and projects are delegated to staff. A separate committee deals with the collection and distribution of Zakat meets as required to deal with the collection and distribution of Zakat.

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 both elders and community leaders. The trustees believe this approach ensures that new trustees are respected members of the faith and local communities and ensures that good relations are fostered between the Mosque and the people of the local community that we serve.

In selecting new trustees, we seek to identify people who regularly attend events and functions organised by the charity and are willing to volunteer to help in our 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 and, if all agree, they are then proposed as new trustees at the subsequent trustees' meeting. This process allows 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 trust deed and a guide to the policies and procedures adopted by our charity. A number of publications from the Charity Commission are also provided including the guidance on charities and public benefit and on the advancement of religion for the 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, reporting progress at trustees' meetings.

Risk management

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

Objectives and activities

Our aims

The objects of the charity are set out in the charity's trust deed and are summarised as follows:

To advance the Islamic faith in the Birchfield area for the benefit of the public in particular through the holding of prayer meetings, lectures, the public celebration of religious festivals and the distribution of literature on the Islamic faith to enlighten others.

To advance the education of, and to provide facilities in the interests of social welfare for leisure-time occupation with the objective of improving the conditions of life for all residents of Birchfield and the neighbourhood by the provision, maintenance and management of a community centre.

Our objectives

Our objectives are set to reflect our faith and community aims. Each year our trustees review our objectives and activities to ensure they continue to reflect our 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 the inhabitants of Birchfield. Our long-term ambition is to build the self-confidence of Birchfield's Muslims in their faith, and through our community facilities and activities help make our area a peaceful, vibrant and harmonious community.

Strategies

We want to make our Mosque an accessible and welcoming venue where all Muslims, or those who wish to know more about our faith, can gather together to learn about their religion and worship. We are also fortunate to have facilities for women who want to pray at the Mosque. The Mosque is open at all times with daily prayers, the Friday prayers being a focus of our activities.

At our 'know Islam better' events we share the teachings of Islam and the nature of our faith with non-Muslims. In addition to an open day we also hold an open week each year when we invite congregations from all the local Christian churches to visit us and learn more about Islam.

An important part of our faith is charitable giving, according to one's wealth, in accordance with Islam and we are pleased to receive Zakat for the sole purpose of the relief of need and financial hardship of Muslims in Northern and Western Africa who have insufficient money to cover their basic needs for shelter, food, clothing, or who are destitute with no means of support.

An important part of our strategy is community welfare and education. All our community facilities and activities including classes, health initiatives and seminars are widely advertised and we welcome the participation of all in our local community, Muslim and non-Muslim alike. Most of our activities are free and supported by donations or grant funding. Where a charge is made, concessions are made for students, people on means-tested benefits and pensioners.

Helping people who have moved to Birchfield settle into the community successfully is important to us. We run two projects that help ensure that families, whose first language is not English receive appropriate English language teaching and that their children are helped in their attendance at local schools.

Use of volunteers

Volunteers are an important resource in both our faith and community work. Volunteers are involved in most of our faith and community activities and we have over 30 people regularly giving their time including Mr Anwar Abdul, our volunteer Imam, who so willingly gives of his time in the evenings. All our trustees also give of their time freely. We encourage all members of our Mosque to be involved in voluntary activities and to share their skills with others. All those volunteers working with projects involving children or other vulnerable groups are CRB checked.

Grant-making policy

Those attending our Mosque have given generously to disaster appeals arising from natural calamities affecting various countries around the world. The Mosque has given money to educational charities in these countries which make funds available to meet the short-term financial problems of parents enabling their children's education to continue. This year, as we did last year, we administered the receipt and distribution of Zakat, which is collected and distributed in accordance with the teachings of Islam for the relief of those in poverty and the destitute. We work with partner organisations, usually the local Mosque, to identify who we can help through our Zakat Committee.

Activities and achievements

How our activities deliver public benefit

The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to those who worship at our Mosque and the wider community of Birchfield.

Religious activities

Our Mosque provides a centre for our prayers and worship and for the activities associated with our faith. During the year under review, we offered a range of religious services and activities including:

Prayers: The Mosque is open all day for daily and Friday prayers. During the week we have over 100 people who regularly attend daily prayers and over 400 who regularly attend Friday prayers.

Festivals: The Mosque prepares food during Ramadan for those attending our Mosque who wish to break their fast together. Eid was also celebrated at the Mosque with a family day and communal meal. We also celebrate Saints' days and offer a monthly service of thanksgiving celebrating the birth of our prophet Muhammad, peace and blessings be upon him, to whom the Qur'an was revealed.

Funeral facilities: The Mosque provides a complete funeral service in line with the teachings of Islam. We relieve the deceased's bereaved relatives of the burden of organising burials. We also hold special classes to teach people how to proceed with Islamic burial procedures.

Civil marriage and Nikkah: The Mosque provides Muslim couples with an appropriate location for both their civil marriage and Nikkah (Islamic marriage). Over 20 couples were married at the Mosque in the year.

Hifz classes: Memorisation of the Qur'an is considered an important element of religious education and training. We continue to provide this facility for the young people in the Mosque. We are pleased this programme which continues to run successfully with over 20 young people regularly attending these classes.

Programme on the Qur'an: In September we were honoured with the visit of two famous Qur'anic reciters. Over 400 people attended the Mosque to hear their recitation.

Islamic awareness: This year we have launched a series of lectures, open to all, to promote Islamic knowledge and awareness. In November 2008, Noor Ul Islam spoke on the sensitive issue of the Veil (entitled: *To Veil or not to Veil*) and analysed the call for women's modesty as found in the Qur'an. The lecture and discussion which followed attracted about 200 people to the Mosque. In March 2009, we also held an open day where members of the local community were invited to view the Mosque. Non-Muslims attending both events spoke about how much they had learnt and how welcome they had been made.

Inter-faith dialogue: Our Mosque is an active member of the Faith Communities Forum for the Birchfield area. We use this platform to promote inter-faith dialogue and social cohesion.

Zakat: It is a part of our faith that all who are able should offer Zakat. Zakat is collected in proportion to a person's means, in accordance with the teaching of Islam, and is the giving of money for a number of specific purposes, including to help others, and to further the teachings of Islam. A Muslim need not give Zakat through the Mosque but we do provide the opportunity for those attending the Mosque to give Zakat and we arrange its distribution for approved purposes. The Zakat Committee of the Mosque collects and distributes the Zakat, none of which is used to fund the Mosque. The Mosque makes no charge for the collection and distribution of Zakat. This year Zakat was distributed to help Muslims in North and West Africa suffering poverty or in need with no means of support. The Zakat Committee travelled to Africa to meet with local Muslim leaders to establish personally who was going to receive Zakat and their needs.

The amount of Zakat collected is supplemented by the interest earned on cash held by the Mosque on deposit which we consider to be a gift of the banking system in the UK. The trustees have decided to use this gift of interest for the relief of poverty and need in the same way as the distribution of Zakat. Once a reckoning of need had been made, the funds were sent to Muslim leaders in the locality selected with instructions for its distribution. Members of the Zakat Committee obtain a written report of how funds were distributed, or where justified, visit the locality to ensure the proper distribution of the funds.

Community activities

Our community hall and rooms provide a valuable educational and recreational resource to all in our local community. A wide variety of activities are organised and take place from our community centre.

Hall and rooms: Our hall and meeting rooms are available for use by local groups and organisations. This year alone the facilities have been used by groups as varied as the local karate club and the local chess club. Local charities are encouraged to make use of our meeting rooms, and we host surgeries with both local Councillors and the MP for Birchfield. When facilities are not required for community use they are available for hire on commercial terms. This year alone our facilities have been used on over 100 occasions and over 20 group, or organisations have benefited from the facilities we can offer the local community.

Homework club and IT classes: At weekends and during school holidays a supervised homework club is supported and supervised by volunteer tutors, and over 40 children regularly attend the club. In addition we have a small IT suite and hold classes on a weekly basis for those who want to learn more about computers.

Swimming sessions: Working with the Horn of Africa Welfare Association we arrange a weekly swimming session at Birchfield Leisure Centre supervised by qualified instructors. Separate sessions are held on alternate Sundays for men and women. We regularly have more than 20 people joining us for these swimming sessions.

Health seminars and consultations: A Muslim GP provides a free health consultation at the Mosque every Wednesday evening. In addition, during June, we organised a 'Heart Diseases' seminar to raise awareness of how to avoid heart disease and the importance of maintaining a healthy lifestyle. In the same month, we organised another seminar with a focus on providing information to people who are at risk or suffer from diabetes.

Community English Language Teaching Project: The Birchfield area has accommodated a large number of North African Muslims who have moved in the area in the last two years, and many of whom worship at our Mosque. We have been funded to run a three-year project to provide English language classes for these new residents to enable them to settle and integrate more easily into the local community. At present over 50 families have joined this scheme and all have made considerable progress in obtaining a functional understanding and use of English in day-to-day situations.

School support project: We have also been funded to run a second three-year project helping the children of recent arrivals into our community settle into local schools. Children usually enter school with high expectations and motivation, and early experiences have a critical impact on how well children adapt to their new environment and their subsequent progress and career paths. This project provides learning and emotional support to pupils in their first two years in the UK and works closely with local schools struggling with issues of language and integration. At present our work is focused on pupils attend Birchfield Primary School and Birchfield Community School where English is the second language for over 40 per cent of pupils.

Partnership working and performance review

In developing our community programmes we are pleased to work in partnership with Birchwood Borough Council and the Wessex Muslim Council, both of which have provided funding and invaluable advice. Our school support projects work in close partnership with Birchfield Primary School and Birchfield Community School. The Birchfield GP Practice have also been very supportive of our health initiatives as have a number of local community organisations, in particular the Horn of Africa Welfare Association, who have worked closely with us on a number of sports and fitness initiatives. We look to all our partners, including Birchwood Borough Council, to give feedback on the success of our initiatives, and the trustees review the progress and outcomes of our work at each meeting. A liaison meeting is held each term with school staff and members of the local education authority to assess the progress and improvements that can be made to this programme.

Financial review

Reserves policy

The trustees have reviewed the reserves of the charity. Their policy is to hold enough funds to meet four months' operating costs of the Mosque, excluding the collection and distribution of Zakat, and of our community activities and programmes. The trustees have established through consultation that a new extension to our Mosque facilities is needed; in part, this will accommodate a much needed extension to the women's prayer area. The trustees have designated £200,000 towards the anticipated building works which will commence next financial year. In calculating the charity's reserves the trustees have deducted from the total of unrestricted funds of the charity the value of the Mosque and other tangible fixed assets as shown in the accounts and the designated fund. This leaves free reserves at 31 March 2009 of £191,542 which is equal to between three or four months' expenditure during the year ended 31 March 2009.

Principal funding sources

The charity's main source of income is giving. Giving at Friday prayers amounted to £438,173, and whilst this represents a small decline from the previous year, given the economic conditions currently affecting our local community this level of voluntary giving is both generous and encouraging. Restricted income was however boosted by a grant by Birchwood Borough Council to fund our School Support Project and the generous grant from the Wessex Muslim Council to fund our Community English Language Teaching Project. These restricted grants together with other income meant that total income increased to £844,857 - an increase of 28 per cent over the previous year. These two grants have enabled us to extend our services to the community. Other restricted funding for particular project or activities are set out and explained in note 14.

The collection and distribution of Zakat was of great benefit to those in poverty or need overseas, and the trustees were delighted to exceed last year's collection so dramatically in such difficult economic times.

Investment policy and objectives

The charity has no long-term investments. Our cash reserves are held in money market and deposit accounts. The interest earned is considered by the trustees as a gift of the UK banking system and supplements the work supported by the collection of Zakat.

Plans for future periods

The Mosque is now too small to comfortably accommodate all those who regularly attend Friday prayers and so an extension is planned next year.

We also intend to start a programme to train new Imams to meet the growing need for spiritual and moral leadership. We also plan to continue the series of events we hold and we will be inviting visiting Imams to our Mosque who can share with us their learning and understanding of Islam and the teachings of the Qur'an. We plan to host three events in 2010 and to recruit two more trainee or volunteer Imams.

We intend to maintain our existing range of community activities working in partnership with the community and to further develop our community projects in collaboration with Birchwood Borough Council and the Wessex Muslim Council. We continue to place great importance on sharing a good understanding of Islam with our non-Muslim neighbours whilst gaining an understanding of their culture and traditions.

Statement of Trustees' responsibilities

The charity trustees are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees for the purposes of charity law who served during the year and up to the date of this report are set out on page 1.

Approved by the trustees and signed on its behalf by:

Mohammed Sarwar (Chair)

20 September 2009

**Birchfield Mosque
Statement of Financial Activities
for the year ended 31 March 2009**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2009	Total Funds 2008
		£	£	£	£
Incoming resources					
<i>Incoming resources from generated funds:</i>					
<i>Voluntary income:</i>					
Friday Prayers	3	329,431	108,742	438,173	446,041
Zakat		-	83,825	83,825	91,122
		<u>329,431</u>	<u>192,567</u>	<u>521,998</u>	<u>537,163</u>
Investment income		21,645	-	21,645	13,128
Activities for generating funds	4	66,402	-	66,402	70,095
Incoming resources from charitable activities	5	8,168	226,644	234,812	41,293
		<u>425,646</u>	<u>419,211</u>	<u>844,857</u>	<u>661,679</u>
Total incoming resources					
Resources expended					
<i>Costs of generating funds:</i>	6	4,716	-	4,716	3,639
<i>Charitable activities:</i>	6	288,975	409,737	698,712	554,282
<i>Governance costs:</i>	6	22,105	5,801	27,906	25,511
		<u>315,796</u>	<u>415,538</u>	<u>731,334</u>	<u>583,432</u>
Total resources expended					
		109,850	3,673	113,523	78,247
Net movement in funds					
<i>Reconciliation of funds</i>					
Total funds brought forward		<u>2,648,492</u>	<u>67,233</u>	<u>2,715,725</u>	<u>2,637,478</u>
		<u>2,758,342</u>	<u>70,906</u>	<u>2,829,248</u>	<u>2,715,725</u>
Total Funds carried forward					

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

Birchfield Mosque
Balance Sheet as at 31 March 2009

	Note	2009		2008	
		£	£	£	£
Fixed assets:					
Tangible assets	11		2,366,800		2,363,210
Current assets:					
Debtors	12	40,482		73,473	
Cash at bank and in hand		<u>451,337</u>		<u>292,542</u>	
Total current assets		491,819		366,015	
Liabilities:					
Creditors falling due within one year	13	<u>(29,371)</u>		<u>(13,500)</u>	
Net current assets			462,448		352,515
Net assets			<u><u>2,829,248</u></u>		<u><u>2,715,725</u></u>
The funds of the charity:					
Unrestricted funds:	15				
Designated funds		200,000		-	
General funds		<u>2,558,342</u>		<u>2,648,492</u>	
Total unrestricted funds			2,758,342		2,648,492
Restricted income funds			70,906		67,233
Total charity funds			<u><u>2,829,248</u></u>		<u><u>2,715,725</u></u>

The notes at pages 10 to 15 form part of these accounts

Approved by the trustees on date and signed on their behalf by:

Mohammed Sarwar

CHAIR of TRUSTEES

20 September 2009

Notes to the accounts

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005, and applicable UK Accounting Standards and the Charities Act 1993.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or the terms of a specific appeal at Friday prayers or under the terms for public collection of Zakat in accordance with the teachings of Islam.

Further details of each fund are disclosed in notes 14 and 15.

(c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations at Friday prayers and grants, and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Incoming resources from grants, where there are performance or service deliverables required by the terms of the grant, are accounted for as the charity earns the right to payment through its performance. Donated services and facilities are included at the value to the charity where this can be quantified. The value of services donated by volunteers has not been included in these accounts, except where the services provided are in the nature of professional services where a fee would otherwise be charged, in which case the donated service is valued at their chargeable rate.

Investment income is included when receivable.

Incoming resources from charitable trading activity is accounted for when earned.

(d) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(f) Allocation of overhead and support costs

Support costs include administrative office functions, and have been allocated to activity cost categories on a basis consistent with the use of resources, allocating property costs on floor areas, staff costs by the time spent and other costs on a measure of usage. The only exception is that no allocation of cost is made against Zakat, instead the relevant share is met from general funds of the Mosque.

(g) Costs of generating funds

Costs of generating funds are those costs incurred in attracting voluntary income, or incurred in trading activities undertaken to raise funds.

(h) Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both the direct pay and non-pay costs and support costs relating to those activities.

(i) Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include its audit fees and costs linked to the strategic management of the charity including trustee expenses.

(j) Tangible fixed assets and depreciation

All assets costing more than £1000 are capitalised and at historic cost. Fixed assets are stated at cost less accumulated depreciation. The freehold property is valued at historic cost and it is not depreciated, as the Mosque and related community hall are considered to have a useful life as a building of greater than 50 years and so any depreciation charge is considered immaterial.

Depreciation is charged on furniture and equipment which is written off on a straight-line basis over their estimated useful lives:

Asset category	Annual rate
Fixtures and fittings	25%
Computer equipment	33%

(k) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 8. There were no outstanding contributions at the year end.

2. Related party transactions and trustees' remuneration

Trustees received no emoluments (2008 £nil). Expenses for training and travel in the year totalled £982 (2008 £875) with three trustees reimbursed travel expenses of £475 (2008 £455).

3. Incoming resources from voluntary income

	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Donations (Friday prayers)	329,431	108,742	438,173	446,041
Zakat	-	83,825	83,825	91,122
Total	329,431	192,567	521,998	537,163

4. Activities for generating funds

	Unrestricted funds £	Total 2009 £	Total 2008 £
Activities for generating funds:			
▪ Rent and hall hire	59,577	59,577	64,475
▪ Announcements and adverts	6,825	6,825	5,620
Total	66,402	66,402	70,095

5. Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Faith and worship:				
Hearse receipts	5,460	-	5,460	6,243
Nikkah Certificates	320	-	320	260
Literature sales	243	-	243	5,157
	<u>6,023</u>	<u>-</u>	<u>6,023</u>	<u>11,660</u>
Community activities:				
Birchwood Borough Council - grant	-	104,133	104,133	15,000
Wessex Muslim Council - grant	-	122,511	122,511	11,655
Other grants	2,145	-	2,145	2,978
	<u>2,145</u>	<u>226,644</u>	<u>228,789</u>	<u>29,633</u>
Total	<u>8,168</u>	<u>226,644</u>	<u>234,812</u>	<u>41,293</u>

6. Resources expended

	Unrestricted funds Direct costs £	Restricted funds Direct costs £	Support costs £	Total 2009 £	Total 2008 £
Cost of generating funds	896	-	3,820	4,716	3,639
Charitable activities					
Faith and worship:					
Mosque	162,325	-	30,799	193,124	194,586
Zakat	21,645	83,825	-	105,470	104,250
Funerals	-	64,204	5,080	69,284	65,974
Madrassa classes	-	12,916	4,560	17,476	15,459
	<u>183,970</u>	<u>160,945</u>	<u>40,439</u>	<u>385,354</u>	<u>380,269</u>
Community activities:					
Community facilities	60,106	-	14,100	74,206	81,247
English programme	-	118,540	12,540	131,080	45,199
School programme	-	91,821	8,504	100,325	32,219
Other activities	-	6,297	1,450	7,747	15,348
	<u>60,106</u>	<u>216,658</u>	<u>36,594</u>	<u>313,358</u>	<u>174,013</u>
Total charitable activities	<u>244,076</u>	<u>377,603</u>	<u>77,033</u>	<u>698,712</u>	<u>554,282</u>
Governance costs	7,993	2,501	17,412	27,906	25,511

7. Support costs

	Governance £	Generating funds £	Faith and worship £	Community activities £	Total £
Administration	5,015	2,569	7,998	5,876	21,458
Office costs	897	501	3,369	2,912	7,679
Audit and finance	5,000	750	7,125	7,125	20,000
Governance review	5,000	-	-	-	5,000
Motor and travel	500	-	4,247	4,648	9,395
Property costs	1,000	-	12,450	11,319	24,769
Depreciation	-	-	5,250	4,714	9,964
	<u>17,412</u>	<u>3,820</u>	<u>40,439</u>	<u>36,594</u>	<u>98,265</u>

8. Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

9. Net incoming / (outgoing) resources for the year

Net incoming / (outgoing) resources for the year are stated after charging (crediting) the following:	2009 £	2008 £
Auditors' remuneration	25,000	23,071
Depreciation	9,964	8,133
Auditors remuneration comprised:		
▪ Audit	5,000	4,500
▪ Accountancy	9,000	9,000
▪ Payroll	6,000	5,071
Total auditors remuneration	<u>20,000</u>	<u>18,571</u>

10. Staff costs

	2009 £	2008 £
Wages and salaries	253,500	185,000
Social security costs	24,350	17,500
Pension costs	9,951	4,344
	<u>287,801</u>	<u>206,844</u>
	2009	2008
Imams	2.0	2.0
Project workers	9.0	6.0
Administration	1.0	0.5
	<u>12.0</u>	<u>8.5</u>

No employees had emoluments in excess of £60,000 (2008 none).

The average number of full-time equivalent employees during the year was 12.0 (2008 8.5).

No trustee received remuneration, and three trustees claimed travel expenses amounting to £1,690 (2008 £2,450).

The charity operates a defined contribution pension scheme for all staff. The charity's contribution is between 3 per cent and 6 per cent of salary with staff making equal contributions to the scheme. 10 staff are members of the scheme (2008: 5 staff).

11. Fixed assets: tangible assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total 2009 £
Cost				
As at 1 April 2008	2,312,280	16,000	147,909	2,476,189
Additions	-	10,000	3,554	13,554
Disposals	-	-	-	-
At 31 March 2009	<u>2,312,280</u>	<u>26,000</u>	<u>151,463</u>	<u>2,489,743</u>
Depreciation				
As at 1 April 2008	-	13,864	99,115	112,979
Charge for the year	-	3,033	6,931	9,964
Disposals	-	-	-	-
At 31 March 2009	<u>-</u>	<u>16,897</u>	<u>106,046</u>	<u>122,943</u>
Net Book Value				
At 31 March 2009	<u>2,312,280</u>	<u>9,103</u>	<u>45,417</u>	<u>2,366,800</u>
At 31 March 2008	<u>2,312,280</u>	<u>2,136</u>	<u>48,794</u>	<u>2,363,210</u>

12. Analysis of debtors

	2009 £	2008 £
Deposit	150	150
Other debtors	13,677	29,313
Prepayments and accrued income	26,655	44,010
Total	<u>40,482</u>	<u>73,473</u>

13. Analysis of creditors

	2009 £	2008 £
Creditors under 1 year		
Accruals and deferred income	20,000	13,500
Taxation and social security	9,371	-
Total	<u>29,371</u>	<u>13,500</u>

14. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2009 £
Fixed assets	2,366,800	-	2,366,800
Current assets	420,913	70,906	491,819
Current liabilities	(29,371)	-	(29,371)
Total net assets	<u>2,758,342</u>	<u>70,906</u>	<u>2,829,248</u>

15. Analysis of charitable funds

Analysis of Fund movements	Balance b/fwd	Incoming resources	Resources expended	Transfers	Fund c/fwd
	£	£	£	£	£
Unrestricted funds:					
Unrestricted general funds	2,648,492	425,646	(315,796)	(200,000)	2,558,342
Designated Mosque extension fund	-	-	-	200,000	200,000
	2,648,492	425,646	(315,796)	-	2,758,342
Restricted funds:	Balance b/fwd	Incoming resources	Resources expended	Governance costs	Fund c/fwd
	£	£	£	£	£
Zakat	-	83,825	(83,825)	-	-
Funeral fund	7,171	76,908	(69,284)	-	14,795
Madrasa classes	4,639	20,914	(17,476)	-	8,077
Healthy Living	2,113	4,467	(2,647)	-	3,933
Summer camp	-	6,453	(5,100)	-	1,353
English language programme	27,668	122,511	(131,080)	(3,297)	15,802
New residents school support programme	25,642	104,133	(100,325)	(2,504)	26,946
	67,233	419,211	(409,737)	(5,801)	70,906
			(725,533)		
Total	2,715,725	844,857		(5,801)	2,829,248

Restricted funds are to be used only for the following specific purposes:

Zakat – these funds are solely used for the relief of need and financial hardship of Muslims in Northern and Western Africa.

The funeral fund represents money donated to provide for funerals in accordance with the Islamic tradition whatever their family means.

Madrasa fund represents donation for classes and activities to educate children and young adults in the speaking and comprehension of the Qur'an in Arabic and for others specific classes teaching about Islam.

Healthy living fund represents grants and donations supporting a project aimed at bringing appropriate health information to members of the community and to provide consultations by an experienced General Practitioner.

Summer camp is an activity programme for children and young people within the community whilst state schools are closed over the summer and is funded by grants and donations.

The English language programme is a grant-funded teaching project working with new residents from North Africa to ensure that they are able to become proficient in the English language.

The New Resident School Support Programme is a grant-funded project working with school-age children who have recently arrived in the UK. This project provides learning and emotional support to pupils in their first two years in the UK.